



**A Strategic Management Paper on Resorts World Manila
(Travellers International Hotel Group, Inc.)**

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Executive Summary

This study presents an analysis of the most applicable strategies that can be useful and will best fit the current state of Resorts World Manila. Internal factor evaluation, external factor evaluation and competitive profile matrices were regarded as the foundation to come up with the fundamentals that were used as basis to construct the different matrices such as the BGC, SWOT, SPACE, IE, GRAND and QSPM in determining the probable strategies for the company. Various economic and political factors were taken into account to gauge the threats that the company might encounter and the opportunities available in the market.

The current products and services were also assessed to define the most marketable amongst all and point out areas for improvement, which can be used by the company to develop its current state. The balanced scorecard, strategy map and action plan were built in such a way that all the other factors used in the previous matrices were considered and incorporated. These were then used to execute the chosen strategy.

Resorts World Manila is one of the largest companies in the Philippines catering to a wide market. It has a sound financial condition and good marketing strategies. However, due to various threats such as aggressive competitors trying to overtake the company and different economic inconsistencies, it should opt to broaden its focus and explore on opportunities that might be advantageous in the long run. With that, the study came up with an exclusivity plan for all sectors of the business and a sustainability plan for the gaming business, which comprises majority of its revenues (around 90%).

I. INTRODUCTION

Company Name: *Resorts World Manila*

Travellers International Group Incorporated opened the company in the Philippines last August 28, 2009. The license was granted by PAGCOR, which is the governing body that supervises all the casino and gaming businesses in the country. Furthermore, the license will expire on July 11, 2033. It established its initial branches in Malaysia (Resorts World) and Singapore (Resorts World Sentosa). The primary nature of the business is to provide entertainment and leisure to its prospective customers. It is a one-stop shop for people who are in search for thrilling activities and have the luxury to spend money for entertainment purposes. Resorts World diversified its scope and engages in interconnected types of businesses. It was successful in establishing the following: Newport Mall (stores consist of a combination of luxurious and affordable brands), casino/gaming stations where clients can play and bet their money, high-end restaurants, bars, cinemas, theater and other facilities that aim to provide relaxation and enjoyment to people. Its festive ambiance makes it look more enticing, happy and attractive to its clients.

Aside from the aforementioned services, the place is also surrounded with affiliated Hotels. It caters to different types of consumers: Regular high class clients – Five Star Marriott Hotel (Five Star) which consists of 342 rooms and suites, Active High class clients who are not only looking for relaxation but is very inclined to spending a lot of time in playing casino games – Maxims Hotel which consists of 172 rooms,

Middle Class – Remington Hotel which consists of 712 rooms and businessmen and travelers who wants to stay near the airport -Belmont Hotel with 480 rooms.

Its target market is the rich to upper middle-income individuals. This is evident with the market segregation of its numerous hotels (e.g. Remington for middle class, Marriott and Maxim's for upper class). Being an integrated resort, it provides varied offerings that cater to different age groups. In the gaming sector, it targets a wide range of age group as long as they are legally allowed to gamble. It can range from as young as young independent office workers in their early 20s to retirees in their 70s. In the non-gaming sector, it targets all age groups by providing products/services that fits their profile (e.g. GameZoo for kids, shopping area and fine dining for adults, plays and concerts for young adults). It targets both genders for all sectors. It provides products and services for both men and women. However, this market positioning is more blatant with its various performances both in the theater and in the gaming area (e.g. Chippendales for women, Mocha Girls for men). Aside from the age, gender and social class, the company also target different backgrounds. It serves both locals and foreigners. It has leisure activities for tourists (can be local or international) and business centers for entrepreneurs and businessmen. A good indicator of its wide reach would be the scope of its shuttle services (e.g. Tsinoy entrepreneurs from Binondo, foreigners and balikbayans from the airport, office workers from Makati Central Business District, etc.). It is strategically located in Pasay City where the establishment is right in front of the NAIA Terminal 3 and is also near Villamor Golf Course. In addition, it is only 5 kilometers away from NAIA Terminal 1 and NAIA Terminal 2.


Social Classes in the Philippines:

Income Class	Definition	Range of Monthly Family Income (for a Family Size of 5 members)	Size of Class (i.e. Number of Households)
Poor	Per capita income less than official poverty threshold	Less than PHP 7,890 per month	4.2 million
Low income (but not poor)	Per capita incomes between the poverty line and twice the poverty line	Between PHP 7,890 to PHP 15,780 per month	7.1 million
Lower middle income	Per capita incomes between twice the poverty line and four times the poverty line	Between PHP 15,780 to PHP 31,560 per month	5.8 million
Middle class	Per capita incomes between four times the poverty line and ten times the poverty line	Between PHP 31,560 to PHP 78,900 per month	3.6 million

Income Class	Definition	Range of Monthly Family Income (for a Family Size of 5 members)	Size of Class (i.e. Number of Households)
Upper middle income	Per capita incomes between ten times the poverty line and fifteen times the poverty line	Between PHP 78,900 to PHP 118,350 per month	470 thousand
Upper income (but not rich)	Per capita incomes between fifteen times the poverty line and twenty times the poverty line	Between PHP 118,350 to PHP 157,800	170 thousand
Rich	Per capita incomes at least equal to twenty times the poverty line	At least PHP 157,800	150 thousand

Source: <http://www.rappler.com/thought-leaders/98624-who-are-middle-class>

It is a listed company in the Philippines Stock Exchange (Company Name: Travellers International Hotel Group).

Travellers International Hotel Group, Inc.					
RWM  As of Dec 23, 2015 03:20 PM					
Status	Open	Market Capitalization	51,994,387,005.00		
Issue Type	Common	Outstanding Shares	15,755,874,850		
ISIN	PHY8969L1080	Listed Shares	25,000,000,000		
Listing Date	Nov 05, 2013	Issued Shares	25,000,000,000		
Board Lot	1,000	Free Float Level(%)	10.03%		
Par Value	0.1	Foreign Ownership Limit(%)	40%		
Last Traded Price	3.40	Open	3.30	Previous Close and Date	3.30 (Dec 23, 2015)
Change(% Change)	up 0.100 (3.03%)	High	3.45	P/E Ratio	
Value	255,200.00	Low	3.30	Sector P/E Ratio	
Volume	76,000	Average Price	3.36	Book Value	
52-Week High	8.25	52-Week Low	3.18	P/BV Ratio	

Source: http://edge.pse.com.ph/companyPage/stockData.do?cmpy_id=645

Its major competitors in the Philippines are Solaire (Bloomberry Resorts Corporation) and City of Dreams (Melco Crown Philippines Resorts Corporation). There are other competitors in the market but Solaire and City of Dreams are the closest to Resorts World with similar business structures.

To be able to provide excellent and well-maintained services, it partnered with some of the biggest companies known worldwide. These are Travellers International Hotel Group Inc., Genting Hongkong LTD, Megaworld Corporation and Alliance Global Group Inc.

Below is the list of subsidiaries of Resorts World Manila (taken from the Q3 2015 unaudited financial statement of the company).

Subsidiaries/Associates	Explanatory Notes	Percentage of Ownership	
		September 30, 2015	December 31, 2014
Subsidiaries:			
Agile Fox Amusement and Leisure Corporation (AFALC)	(a)	100.0%	-
APEC Assets Limited (APEC)	(b)	100.0%	100.0%
Aquamarine Delphinium Leisure and Recreation Corporation (ADLRC)	(d)	100.0%	-
Bright Pelican Leisure and Recreation Inc. (BPLRI)	(d)	100.0%	100.0%
Brightleisure Management, Inc. (BLMI)	(c)	100.0%	100.0%
Brilliant Apex Hotels and Leisure Corporation (BAHLC)	(d)	100.0%	-
Coral Primrose Leisure and Recreation Corporation (CPLRC)	(d)	100.0%	-

Subsidiaries/Associates	Explanatory Notes	Percentage of Ownership	
		September 30, 2015	December 31, 2014
Subsidiaries:			
Deluxe Hotels and Recreation, Inc. (DHRI)	(d)	100.0%	100.0%
Entertainment City Integrated Resorts & Leisure Inc. (ECIRLI)	(d)	100.0%	100.0%
FHTC Entertainment and Productions Inc. (FHTC)	(e)	100.0%	100.0%
Golden Peak Leisure and Recreation, Inc. (GPLRI), formerly Yellow Warbler Leisure and Recreation, Inc.	(d)	100.0%	100.0%
Grand Integrated Hotels and Recreation, Inc. (GIHRI)	(d)	100.0%	100.0%
Grandservices, Inc. (GSI)	(c)	100.0%	100.0%
Grandventure Management Services, Inc. (GVMSI)	(c)	100.0%	100.0%
Lucky Panther Amusement and Leisure Corporation (LPALC)	(a)	100.0%	-
Lucky Star Hotels and Recreation, Inc. (LSHRI)	(d)	100.0%	100.0%
Luminescent Vertex Hotels and Leisure Corporation (LVHLC)	(d)	100.0%	-
Magenta Centaurus Amusement and Leisure Corporation (MCALC)	(a)	100.0%	-
Majestic Sunrise Leisure & Recreation Inc. (MSLRI)	(d)	100.0%	100.0%
Net Deals, Inc. (NDI)	(f)	100.0%	100.0%
Newport Star Lifestyle, Inc. (NSLI)	(g)	100.0%	100.0%
Royal Bayshore Hotels & Amusement Inc. (RBHAI)	(d)	100.0%	100.0%
Sapphire Carnation Leisure and Recreation Corporation (SCLRC)	(d)	100.0%	-
Scarlet Milky Way Amusement and Leisure Corporation (SMWALC)	(a)	100.0%	-
Sparkling Summit Hotels and Leisure Corporation (SSHLC)	(d)	100.0%	-
Valiant Leopard Amusement and Leisure Corporation (VLALC)	(a)	100.0%	-
Vermillion Triangulum Amusement and Leisure Corporation (VTALC)	(a)	100.0%	-
Westside Theater Inc. (WTI)	(h)	100.0%	-
Westside City Resorts World Inc. (WCRWI), formerly Resorts World Bayshore City, Inc.	(i)	95.0%	95.0%
Associate –			
Manila Bayshore Property Holdings, Inc. (MBPHI)	(i)	50.0%	50.0%

Area and Composition

AREA 13, 167 sqm.

GAMING:

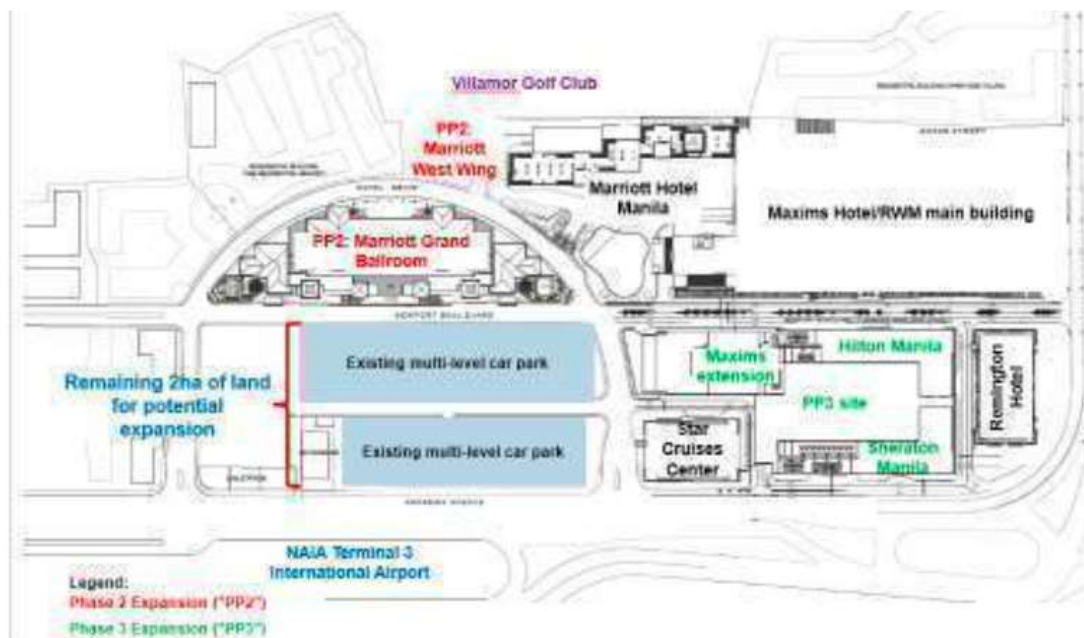
127 VIP Tables
169 Mass Tables
1,868 Slot Machines
210 Electronic Game Units

ENTERTAINMENT & LESIURE:

90 Retail Stores and Food and Beverage Outlets (mix of high-end boutiques and mass option)
1,500 seat Newport Performing Arts Theater
1 GameZoo Arcade
1 Genting Club (members-only lifestyle club)
1 Office space (training academy & 400-seat capacity call center)

TOURISM

342 Marriot Hotel Manila
172 Maxims Hotel
712 Remington Hotel



Above is the composition of the company, which contains the gaming, entertainment & leisure and tourism business of RW. The floor plan shows the finished Phase 2 and soon to be opened Phase 3 that includes expansion of its current hotel (New Maxims II) and construction of two new hotels (Hilton Manila and Sheraton Manila Hotel). In

addition, it is also building Resorts World Bayshore, which is expected to start its operation by 2018.

Market

Aside from the prospective customers in the Philippine market, in terms of tourism, RW also rely on foreign clients (tourists, businessmen etc). Based on the current data, majority comes from selected countries.

Maxims Hotel	Korea, China, Malaysia and Singapore
Remington Hotel	US, Korea, Japan and Malaysia
Marriott Hotel	US, Singapore, Australia and Malaysia

Foreign Direct Investment	2012	2013	2014
FDI Inward Flow (million USD)	2,033	3,737	6,201
FDI Stock (million USD)	36,459	47,276	57,093
Number of Greenfield Investments***	96	129	158
FDI Inwards (in % of GFCF****)	4.1	6.7	10.5
FDI Stock (in % of GDP)	14.6	17.4	20.0

Source: UNCTAD - 2014.

FDI Inflows By Countries and Industry

Main Investing Countries	2013, in %	Main Invested Sectors	2013, in %
British Virgin Islands	33.9	Manufacturing sector	28.3
The United States	20.2	Administration, support activities	6.3
Japan	16.3	Electricity, water, gas	27.2
Netherlands	9.1	Transport and storage	20.2
Singapore	3.4	Hotels, catering	9.3
South Korea	3.1	Administration, support activities	9.0
Caiman Islands	2.7		
Australia	1.6		

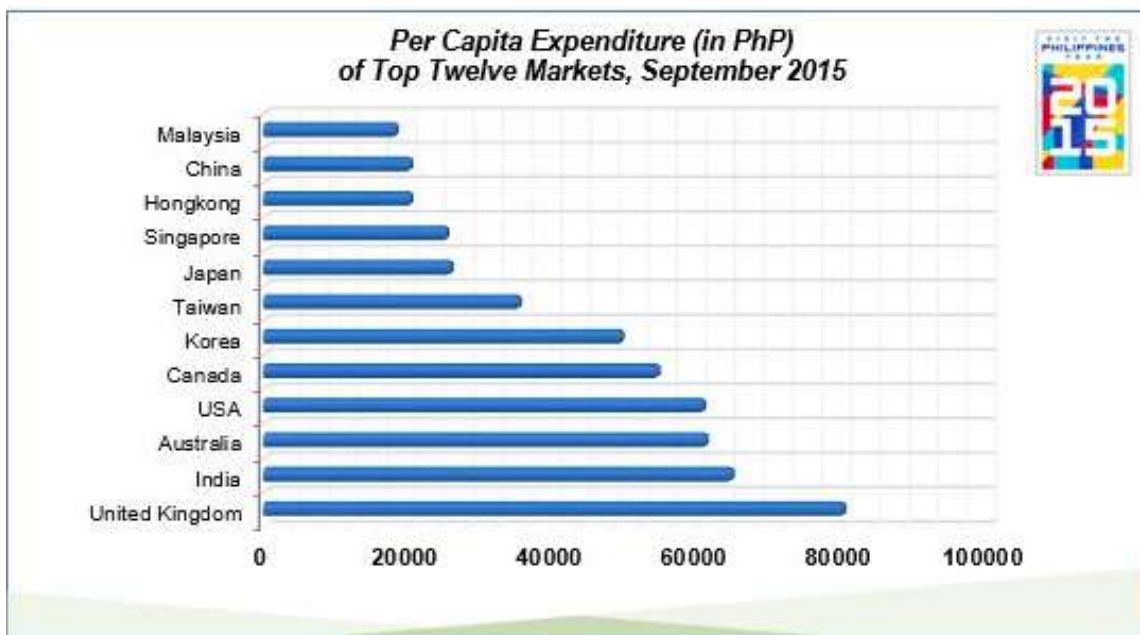
Source: Board of Investment - 2014.

Given that the top FDI inflows above includes countries such as Japan, U.S, Singapore, Korea and Australia, which are the same origin as RW foreign clients, it can be concluded that part of the foreign customers of resorts world are investors and businessmen in the country.

In addition, there is a potential for future growth due to the increasing trend of Foreign Direct Investments (from 2012 to 2014).



Source: <http://www.tourism.gov.ph/pages/industryperformance.aspx>



Source: <http://www.tourism.gov.ph/pages/industryperformance.aspx>

International Arrivals September 2011 - 2015	
2015	393,589
2014	328,981
2013	328,114
2012	291,637
2011	284,040

Sources of Data: A/D Cards & Shipping Manifests

Source: <http://www.tourism.gov.ph/pages/industryperformance.aspx>

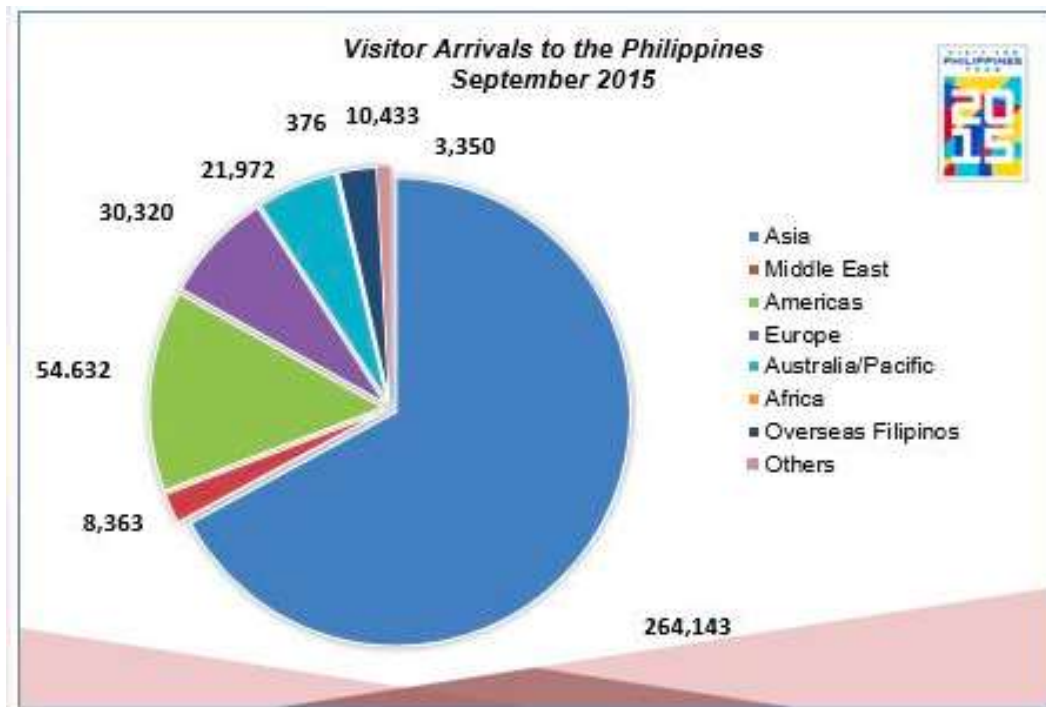
The other portion is mainly coming from tourists from the top countries specified in the above tables. Given the volume and the developing tourism destinations in the country, more tourists and investors would be interested to visit and venture for opportunities.

Visitor Arrivals To The Philippines By Port Of Entry September 2015					
By Air			By Sea		
Port	Volume	Share (%)	Port	Volume	Share (%)
Manila	262,945	66.81	Davao	1,205	0.31
Cebu	64,567	16.40	Batangas	962	0.24
Kalibo	47,204	11.99	Cebu	526	0.13
Clark	13,314	3.38	Subic	201	0.05
Laoag	979	0.25	Zamboanga	79	0.02
Palawan	800	0.20			
Davao	598	0.15			
Iloilo	209	0.05			
Total	390,616	99.24	Total	2,973	0.76

Sources of Data: A/D Cards & Shipping Manifests

Source: <http://www.tourism.gov.ph/pages/industryperformance.aspx>

The projection for the Philippine tourism in the coming years is positive. The increase in visitors is expected to rise given the current trend. To be specific, Manila has the most number of tourist arrivals in the country (being located in NCR), which means more opportunities for companies in the area most especially in the airport vicinity.



Source: <http://www.tourism.gov.ph/pages/industryperformance.aspx>

Compared to other continents, Asia owns the biggest portion of visitors worldwide. With the commencement of the ASEAN Integration, the Philippines will have a wider reach and easier access to different markets and investors.

Employees

The company projects an increase in the number of employees from 2014 to 2015. This means that there are developments in its operation, as it needed more manpower.

	Actual as of December 31, 2014	Projected Headcount as at December 31, 2015
Gaming	3,057	3,411
Management & Admin	744	819
Hotel	422	443
F&B	427	494
Marketing	100	114
TOTAL	4,750	5,281

Source: Audited Financial Statement of Resorts World (2014)

Directors and Senior Officers

Various individuals that have strong influence and issued huge capital to build Resorts World Manila supervise the establishment and operations of the company. Famous names behind in the institution of the company are the ones responsible for bringing the success to RW Manila. There are no significant employees – no person that is expected to have major contributions in the future. There is also no family relationship involved.

Name	Age	Nationality	Position
Chua Ming Huat	52	Malaysian	Chairman and Director
Kingson U. Sian	54	Filipino	President, Chief Executive Officer and Director
Dr. Andrew L. Tan	66	Filipino	Director
Tan Sri Lim Kok Thay	63	Malaysian	Director
Jose Alvaro D. Rubio	62	Filipino	Director
Laurito E. Serrano	54	Filipino	Independent Director
Enrique M. Soriano III	47	Filipino	Independent Director

Source: <http://www.travellers.com.ph/wp-content/uploads/2014/07/org-chart-junev3.jpg>

Corporate Social Responsibility

In terms of the company's corporate social responsibility (CSR), it is involved and focuses on various activities that contribute in helping the Philippine Tourism and the Arts (e.g. art exhibits), Social Development (donate and visits charities like Hospicio de San Jose), and Environmental Sustainability (promote environmental advocacies).

Another good thing with Resorts World is that it ensures the safety of the customers as well as its stakeholders. Since it is engaged in a type of business that is exposed to several gambling and behavioral problems (e.g. addiction), it created the "Responsible Gaming Program" where it aims to protect its clients from engaging in dangerous activities that might lead to serious outcomes.

It is becoming a major contributor to the Philippine Economy as its revenues greatly impact the GDP of the country. The casino industry generates millions to billions earnings/losses per quarter which affects the calculation of the country's gross domestic product.

People go to casinos due to the following reasons:

- 1) **The addiction.** Human nature allows people to be addicted to something. It can be food, hobbies, television shows, or other activities that are entertaining and that provide satisfaction to a certain person. The chances or skills that can be applied to gambling are somewhat enticing to many people. The probability of winning gives excitement that offsets the probability of losing. Another reason is that the ambiance, color combinations and lively surrounding add to the festive

feeling in the venue that attracts most people. It portrays happiness and celebration. The ringers and calling out of “winners” plays big roles in casinos.

Once a person wins, there is an urge to play again with the hopes of winning again. Once the person loses, there is still an urge to play again to get back the money that was lost during the previous bets. For most addicts, this becomes a routine until the money involved gets bigger and bigger.

2) **Provides a different way of entertainment.** It is not usual for normal recreational activities to gain money from entertainment. People usually pay to gain satisfaction like dining in a good restaurant or watching a movie. In casinos, it is different, people can get both: entertainment and money. As some will say, if the person is having a lucky day, he/she might gain a lot from betting in different casino games.

There is entertainment as, aside from the festive ambiance, there are live shows (e.g. singing and dancing) in casino lounges and showrooms. In the vicinity, there are also other establishments like hotels, restaurants, theaters and movie houses.

3) **A venue for socialization.** Previously most gatherings and meet up places of rich senior citizens are casino establishments. Due to the friendliness of the staffs, quality of service and the long hours of entertainment that these types of companies provide, old people are becoming comfortable and are becoming loyal customers. Other social activities such as seminars, association gatherings, and club meetings are being held in casino function rooms partly because of the posh and attractive ambiance.

4) **An investment opportunity.** Casinos not only attract gaming addicts but investors as well. Due to the huge revenues that it contribute to the company (in comparison with hotels and other source of income of the company), most stakeholders are becoming interested due to the high return and probable future income of these types of businesses.

5) **Interest and Curiosity.** Since people from under-aged group are not allowed to enter casinos until they reach a certain age, most of these people are becoming curious of what's inside these establishments that makes people visit and even addicted. So when these teenagers reach the legal age, entering a casino became part of their bucket list.

6) **Facilities and High End Features.** Most casinos worldwide offer some of the most expensive and luxurious amenities and attractions in the entertainment industry. Most products are high end including food, hotel, shops etc. These features entice people, as it not only provides comfort but also an overall feeling of satisfaction.

7) **Reputation and Status Symbol.** The frequency of visits and the amount of money being played determine the loyalty of casino customers. Once the client meets/exceeds the expectations of the company in terms of the number of visits and money invested, it will opt to provide rewards. Some sample rewards are providing free food, complimentary rooms, free use of VIP facilities, gifts etc. This will also give

the customers bragging rights based on the experience and the special services given by the company.

II. RESEARCH DESIGN AND METHODOLOGY

Most of the data were gathered from the audited (2012 to 2014) and unaudited (Q1 to Q3 of 2015) financial statements of Resorts World Manila and available financial statements of Solaire and City of Dreams, which are the major competitors of the company. Other details such as the offered products and services were available in the official websites of these companies. Related facts and issues were taken from reliable sources in the Internet. Surveys from the customers and an interview from a previous owner of a bar in Resorts World Manila were also used as references to support the paper. For the survey, a sample size of 30 respondents was used. These are selected individuals that frequently visit a casino establishment or have visited the three and can input observations regarding the various factors that affect an integrated resort business' success.

To be able to construct the analysis, the *“Strategic Management: Concepts and Cases, 14th Edition”* by Fred R. David and *“Introduction to the Casino Entertainment Industry”* by Vincent H. Eade & Raymond H. Eade were used. All information from the Internet and the interview were downloaded and conducted online. Survey was done by manual distribution.

The major assumptions are as follows:

- 1) All data disclosed in the financial statements are valid.

- 2) All information and details in the official websites of the companies are existent and true.

III. ANALYSIS OF THE COMPANY'S VISION AND MISSION STATEMENT

A. VISION STATEMENT

To be the premier world-class integrated entertainment and tourism destination in Asia.

Should be characteristics: (Retrieved from book: Strategic Management: Concepts and Cases, 14th Edition by David, Fred R.)

- 1) Answers the question "What do we want to become?"
- 2) Creates purpose and identity
- 3) Should be UNIQUE
- 4) Should be short and preferably one sentence only.

Characteristics	Yes or No	Why?
End-Goal	Yes	"To be the premier world-class integrated entertainment and tourism destination"
Concise yet inspirational	Yes	Less than 15 words
Aspirational	Yes	Aims High
Realistic	Yes	Achievable; Currently pursued

Analysis: Good vision statement. The company was able to mention their scope (Asia), their product/services (entertainment and tourism destination) and the outlook for the future (to be the premier world-class integrated entertainment and tourism destination). However, the term premier is a bit questionable, as it will raise

various issues such as the target status of the company. There should have a continuous goal.

Revised:

To pioneer and innovate in order to be ahead in providing world-class integrated entertainment and tourism destination in the Philippines.

B. MISSION STATEMENT

To thrill the world.

To set the benchmark for service excellence.

To empower our people to realize their full potential.

Company Added:

VALUES

Inspiring Excellence

Innovation is in our DNA. We live to "wowify." Mediocrity is our enemy.

Unyielding Integrity

We do what is right.

True Compassion

We genuinely care for our guests, our team and other stakeholders.

Should be characteristics: (Retrieved from book: Strategic Management: Concepts and Cases, 14th Edition by David, Fred R.)

Analysis:

The company's mission is very short and simple. It lacks most of the characteristics of a good mission statement.

Components	Yes/ No	Which Part	Suggestion
1) Customers	Yes	World	Philippines (same with Vision)
2) Products/Services	No		Provide entertainment, leisure and relaxation; sell luxurious items
3) Concern for public image	Yes	"Thrill" – always provide excitement	Integrity and do what is right
4) Concern for employees	Yes	To empower our people to realize their full potential	
5) Concern for survival/growth/profits	Yes	To set the benchmark for service excellence	
6) Markets	No		Cater to individuals looking for excitement and leisure while maintaining the values that we uphold
7) Technology	No		Innovation

8) Philosophy	No		Live to "wowify"
9) Self Concept	No		Never settles for mediocrity
10) Nation Building	No		We never fail to care for our guests, shareholders and the society

Revised:

Our mandate is to thrill the Philippines by continuously providing “world-class” entertainment, leisure and relaxation to satisfy its customers. We live to “wowify”. We cater to people who are hungry for adrenalin- booster activities while maintaining the values that our company upholds. We are consistent in setting the benchmark for service excellence. Thus, it increases the level of satisfaction and pleasure of our clients. It is vital for our company to develop talents and create employees who are experts in maximizing their potentials and ensuring that they are in the right path to reaching their career goals. We are an institution that never settles for mediocrity and is constantly striving for innovation. Despite our line of business, we value integrity and we do what is right. We never fail to care for our guests, shareholders and the society.

How to communicate to stakeholders:

It is vital for a company to communicate both the Vision and the Mission of the organization to all its stakeholders. These individuals are the main contributors to the development and welfare of the company. With that, certain implementations should be taken into place to ensure that everyone is well informed and aware of

what constitutes these important statements. First, it should maintain the existence of the Vision Mission in the company's official website. Second, it should be visible within the premises of the company, including the head office, branches, main/minor establishments and affiliated companies involved in the business of Resorts World Manila. It can be posted in walls, monitors and other paraphernalia (brochures, pamphlets) used in the business for the employees and customers to see and notice. Third, it should be part of the "training kit" for new hires and it should be ensured that it is explained properly even to the existing employees. In trainings, these can be used as reference in discussing the processes and in coming up with strategies. Fourth, during big movements such as the expansion of new hotels and construction of Bayshore Resorts World, it is important that the company address it to the stakeholders in such a way that it is showing the alignment of the new developments to the Vision and Mission of the organization. This is for the benefit of the general public. Fifth, during shareholder's meeting, it should be emphasized and shown to the attendees. It should occupy a few pages of the annual report as well for the owners and shareholders' sake. Lastly, whenever there are changes or amendments in the statements, it will be better to incorporate inputs from the stakeholders in formulating the new one. Being experts and part of the company, the ideas and propositions might be valuable to the organization in the future.

Analysis:

The original mission of the company is short and doesn't have the characteristics of a good mission statement. With that, it is better to incorporate the values of the

company as well and add more features to elaborate and provide more details of the real mission of the company.

On the customers, similar with the vision, the focus will be limited to the Philippine setting only. In terms of the products/services, it should be stated in the mission what the company is selling to its customers. With that, the portion *“by continuously providing “world-class” entertainment, leisure and relaxation to satisfy its customers”* is added.

Given that the type of business that RW is in is exposed to different criminal acts, it is very important to assure the people of its vouch to integrity and honesty.

Employee welfare in a casino business is a major part of its operations. It is vital for the company to ensure the satisfaction and growth of its people. Customer loyalty and services feedback are dependent on the performance of the people. The company should provide regular trainings and excellent benefits to be able to grow and maintain good talents.

In a competitive world, company turn over may be very high (in certain industries). To be able to cope on the fast changing technological and social trends, companies should ensure that it has the best services that a certain company can offer among all the other companies in the industry. That is why it is imperative that this part be retained in the mission – *“To set the benchmark for service excellence”*.

In terms of markets, Resorts World Manila caters to a wide market (different social classes). It primarily caters to individuals looking for excitement and leisure. However, it is important that the institution still maintains the values that it upholds.

As previously mentioned, technological advancements is very fast. Adaptation to innovation while maintaining the excellent quality of services should be ensured by the company as well.

“Live to wowify” is the main concept of its mission. Since the focus of the company is to provide entertainment and comfort to its guests, it should maintain and continuously improve its services to satisfy and even exceed the expectations of the customers.

In order to be the best, RW cannot settle for mediocrity. It should always set high standards in every aspect of the company. In order to promote nation building, RW should continuously care for all its stakeholders – customers, employees, shareholders etc.

IV. EXTERNAL ANALYSIS

Porter’s Five Forces

A. Rivalry among existing competitors

Rating: High

Resorts World Manila is the first *integrated tourist hub* in the Philippines. Given that, it should have the advantage of capturing the overall market related to its business. Truly, it was able to easily establish a name in the industry and it was successful in creating “brand recall”. People became very curious and are eager to experience the services and activities that it offers.

However, two new big companies were able to acquire licenses also. Solaire, which is managed by Bloomberry Resorts Corporation opened last March 16,

2013 and City of Dreams (the newest), which is managed by Melco Crown Philippines Resorts Corporation opened last December 14, 2014.

The three major competitors (Resorts World, City of Dreams and Solaire) are all strategically located (in the same vicinity – Pasay City and Paranaque City). The competition is really tough and all seems to have aggressive strategies to gain, attract and capture the market share of its competitors.

Factors that led to strong rivalry among the 3 major competitors in the industry:

1) Accessibility

- Due to the worst traffic condition in Metro Manila and neighboring cities, it becomes more and more difficult to reach a certain destination. It is imperative for companies to maintain accessibility and easier transport for its customers.
- Given that, the three companies offered shuttle services located in different areas in Metro Manila. This is to ease the hassle of driving or commuting from their homes to the desired destination.

Shuttle Services: Pick Up and Drop-Off Points		
Resorts World Manila	Solaire	City of Dreams
Caloocan	Pasay City (SM Mall of Asia)	Makati City
Cavite	Makati City (Greenbelt 3 and Power Plant Mall)	Ermita
Laguna	Manila (Binondo)	Pasay City (SM Mall of Asia)
Las Pinas City		Taguig City
Makati City		Mandaluyong City
Malabon City		Cubao
Manila (Binondo)		Paranaque City
Marikina City		Manila (Binondo)
Muntinlupa City		
Navotas City		
Paranaque City		
Pasig City		
Quezon City		
Rizal		
San Juan City		
Taguig City		
Valenzuela		

- However, the location of Resorts World Manila that was initially a good and strategic one is starting to lose its advantage due to the heavy traffic congestion in the area. The problems in airports (air traffic, failure to handle increasing number of travellers) affect establishments in the vicinity including Resorts World.

2) Number of Activities Available

Depending on the target market, but most consumers prefer going to places where there are a lot of activities to do or will suit the needs of the individuals or families. This paper will only focus on three aspects: *Gaming, Entertainment & Leisure and Tourism*.

Priorities of most companies include the building of hotels, gaming area (casinos), shopping malls & restaurants. Given this, City of Dreams was able to stand out due to one its major competitive advantage, which is the “DREAMPLAY” that caters to children. It has the ability to provide entertainment for the whole family.

3) Target Market

This is one of the major causes of strong rivalry as when companies in the same industry are competing to acquire the same type of customers there will be tight battle among each other. Both Solaire and City of Dreams are targeting rich to upper income. While Resorts World have widened its market and targets high class to upper middle class.

This is evident of the stores/boutiques set up in the shopping areas of the company. Resorts World has restaurants such as Mcdonalds and stores like Bench where the prices of items are cheaper and affordable even to lower class individuals unlike Solaire and City of Dreams, where all restaurants and stores are high-end and a bit pricey.

Conditions That Cause High Rivalry Among Competing Firms

Applicable

- ✓ Similar size of firms competing
- ✓ Similar capability of firms competing
- ✓ When consumers can switch brands easily
- ✓ When barriers to leaving the market are high
- ✓ When fixed costs are high among firms competing
- ✓ When rivals have excess capacity
- ✓ When rivals have excess inventory
- ✓ When rivals sell similar products/services

Not Applicable

- × High number of competing firms
- × Falling demand for industry's products
- × Falling product/service prices in the industry
- × When barriers to entering the market are low
- × When the product is perishable
- × When consumers demand is falling
- × When mergers are common in the industry

B. Threat of new entrants

Rating: Low to Moderate

There are strong barriers to entry in a casino business. The required capital to set up this kind of business is very high (Php 1 billion and up). In the Philippines, all casino businesses are governed by PAGCOR (as stated in the Presidential Decree 1869), and as such there are certain regulatory requirements that should be completed by the prospective market player (as stated in the Regulatory Manual). Restrictions are very specific and contain 33 regulations where each has detailed subsections. Thus, there are only a minimum number of companies willing and has the capability to engage and venture in this type of business.

Companies should also abide with various government regulations such as the payment of 25% and 15% license fees, which was recently reduced to 15% and 5% respectively. The 10% reduction will then be reallocated to income tax on gaming but should comply with any future true ups.

A limit in acquisition of gaming equipment/paraphernalia is another example. Options are limited to suppliers that are accredited by PAGCOR only.

In addition, all the strategic locations in Pasay City, Paranaque City and along the vicinity of all NAIA terminals (1 to 4) were already taken by the three major players in the industry. Thus, making it difficult for new comers to set up a new similar business. It is still possible, but it will most probably be in a farther location.

C. Threat of substitute products or services

Rating: Moderate

C.1 Gambling

Main Substitutes:

- 1) Electronic Games
- 2) Bingo Games
- 3) Sports Betting
- 4) Poker Games

There are a number of substitute products/services that can replace the offerings of RW. One would be the electronic games (online gaming). This is rampant in the Philippines due to the continuous technological development and easier access to the Internet. Another point would be, it is cheaper (lesser fees) and lesser restrictions are applied in online gaming business (based on the regulatory manual).

Sample Requirement:

Section 2. Table of fees

TYPE OF FEE	AMOUNT	NEW SITE	RENEWAL OF LICENSE
APPLICATION	PhP2,500.00	✓	-----
INSPECTION	PhP20,000.00	✓	-----
PROCESSING	PhP30,000.00	✓	✓

Source: Gaming Site Regulatory Manual for Electronic Games (PAGCOR)

Another substitute would be other gaming platforms such as the famous Bingo (*Bingo Bonanza* - one of the most popular in the country). There are also other players such as Sports Betting and Poker Games. Separate

regulations manuals are created for these businesses. Even though the aforementioned products can be a replacement for casinos as a form of similar entertainment, these can still not match the leisure that casinos can give its customers. The festive ambiance, the huge prizes and the excitement that the customers get from casinos cannot be replaced by other gaming businesses. However, the regulations would be less strict and fees are cheaper as well.

C.2. Entertainment

Other forms of entertainment:

- 1) *"Tiangge"*
- 2) Night Markets
- 3) Street Foods

For the shopping mall and restaurants, substitutes can be tiangge (e.g. *divisoria*), night markets and street foods. These are cheaper versions of food and stuff that can be purchased in high-end malls like Newport. However for the food, there are certain risks like being exposed to various diseases like hepatitis and food poisoning. Whereas for the tiangge and night markets, the products are much cheaper but the quality of stuff will be weaker and there are risks of encountering robbers, thieves and snatchers.

C.3. Tourism

- 1) Inns
- 2) Motels
- 3) Apartments

For the tourism sector, the substitutes would be the cheaper version of hotels like Inns, Motels and Apartments that can be rented temporarily by tourists. If the visitors are on a budget trip and have a minimum allocation for the place to stay, they can opt to choose from a variety of Inns, Motels and Apartments for rent. However, the comfort, relaxation and posh ambiance of the high end to average hotels cannot be replaced by the available substitutes.

D. Bargaining power of suppliers

Rating: Moderate

Similar to setting up a Casino (or a gaming) business, all suppliers are being mandated by PAGCOR as well. There is a list of requirements and various forms that should be complied by the prospective supplier.

Top 5 Suppliers of Resorts World Manila:

- 1) Systech Lighting & Controls Inc.
- 2) RGB Ltd.
- 2) Joint Venture Audio Visual Lighting Inc.
- 3) Global Matrix Concept Group
- 4) Total Data Central Solution, Inc.

In additional, a regulatory manual was created to maintain the standards of operating a casino (gaming) business. As such, it was aligned to the North American and Asian jurisdictions. This includes shipments, storage, pullouts

and other procedures related to maintaining the equipment and other paraphernalia in casinos.

Lesser restrictions are implemented for the food and other facilities in the businesses. In the case of RW, food is being provided, supervised and monitored by Great Foods Solutions. Other amenities such as the hotels, restaurants, mall, theater, cinemas have separate suppliers depending on the establishments willing to set up their businesses. However, the local government unit where the establishment is in governs everything. This means that all permits and licenses should be acquired in the municipality that handles these types of transactions. The company should accomplish authorizations such as mayor's permit, sanitary permit, fire safety provisions and the like.

E. Bargaining power of buyers

Rating: High

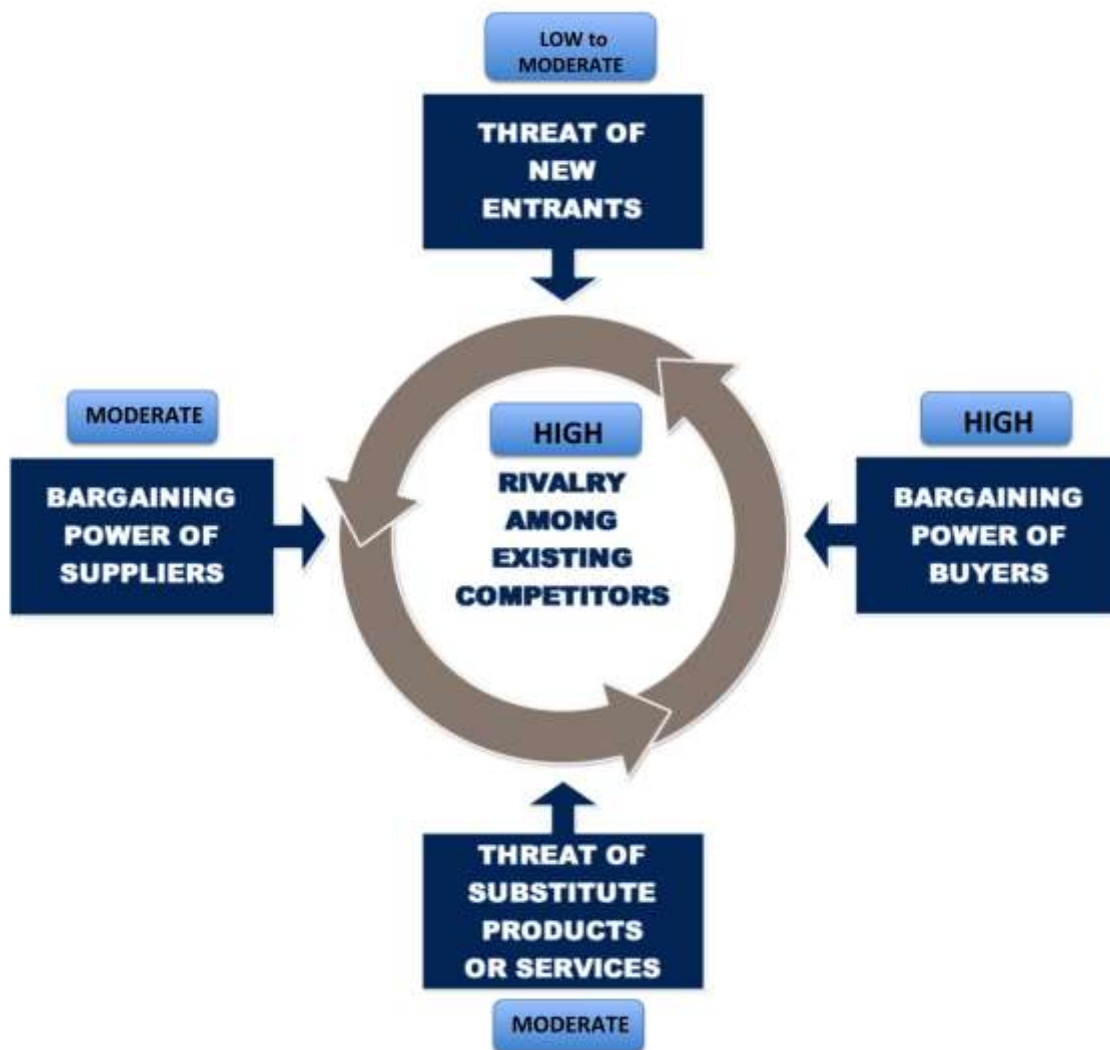
The change in the demand of customers will have a huge effect in the revenues of the casino industry. The business' income is dependent on its customers but not on a specific individual or group.

Factors that affect the demand of buyers:

- Loyalty/Membership cards (includes perks and benefits)
- Availability of substitute products
- Price competitiveness
- Other factors: Ambiance, services offered, activities, marketing strategies

Instances when bargaining power of consumers increase:

- ✓ They can inexpensively switch to competing brands or substitutes.
- ✓ They are particularly important to seller.
- ✓ Sellers are struggling in the face of falling consumer demand.
- ✓ Customers are informed about seller's products, prices and costs.
- ✓ Customers have discretion in whether and when they purchase the product.



Conclusion:

The industry is relatively competitive/attractive. The potential revenue is high in this type of business. With that, the “five forces” provides analysis on where the company is strong and determines the areas for improvement. There is high rivalry among existing competitors; the entry of Solaire and City of Dreams was a big threat to Resorts World. Providing closely similar services and products with additional features possibly better services will greatly impact the current operations of Resorts World. The restrictions implemented by PAGCOR in limiting the acquisition of the company’s equipment and paraphernalia only from registered suppliers led the power of the suppliers in a moderate level. The options will be strictly limited only to those that were able to require the licenses/requirements needed. Thus, company’s can only choose from various suppliers that are granted to operate in the country. However, since the business is big, more suppliers will be willing to take efforts in acquiring licenses to maintain transactions with the companies. In terms of the substitute products, the uniqueness of the activities in a casino protects the industry from being eaten by other entertainment industries. In terms of gambling, other substitutes are no match with the satisfaction that a casino provides its clients. When it comes to tourism, high-end hotels provide much comfort and better services than the low-end ones. However, there are consumers such as travellers doing a continent tour for example that prefers cheaper place to stay due to budget constraints. As per the result of the survey conducted, price is the most important factor that a customer is looking at when travelling. There are moderate to strong barriers to entry in a casino business - the required capital is huge (minimum of 1

billion pesos), a number of restrictions and regulations (including government) are to be followed (stated in the Regulatory Manual). This means that the threat of new entrants in the industry is low to moderate. Lastly, the bargaining power of buyers is high. This kind of business is highly dependent on the clients (not on a specific individual or group). The generation of income depends on the number of transactions (bets for example) in the gaming sector, customers' purchase in the entertainment sector and bookings/check-ins in the tourism sector.

The industry is still attractive even though there is tight competition as the potential growth and revenue is high. In addition, the market is not yet saturated; there is a demand for the products/services.

The External Factor Evaluation (EFE) Matrix

KEY EXTERNAL FACTORS			
<i>Opportunities</i>	Weight	Rating	Weight Score
1) ASEAN Integration (potential increase in investments, more opportunities for expansion and growth)	0.1	4	0.4
2) Increase in estimated Philippines visitor receipts (Sept 2015: 16.6 mm vs. Sept 2014: 13.3 mm) - growth rate is 24.24%	0.1	3	0.3
3) Relatively good forecast of Philippine GDP growth rate (from 1.21 Q4 2015 to 1.42 Q2 2016)	0.1	3	0.3
4) Stable employment rate (94.0 % - Oct 2015 to 94.4% - Oct 2015) and decreasing unemployment rate (6.0% - Oct 2014 to 5.6% - Oct 2015)	0.05	3	0.15
5) Peso Weakening (e.g. vs dollar Php 44 in 2014 to Php 47 in 2015)	0.05	3	0.15
6) Improvement of infrastructures along NAIA road - making RW more accessible to local clients as well	0.05	4	0.2
7) Forecast that the Philippine Casino Industry will gain a revenue of \$6bn by 2018 making it part of the top 4 in the world.	0.05	3	0.15
<i>Threats</i>	Weight	Rating	Weight Score
8) Decline in China's Market - loss 43% of value from June 2015 (growth forecast for 2016 - 3.6% to 3.3%).	0.1	2	0.2
9) Impact of 2016 Election on various economic factors (e.g. interest rates, inflation)	0.05	3	0.15
10) Filipino Culture - church intrusion in the businesses and other activities of the Philippine government	0.05	3	0.15
11) Fed's Plan to raise U.S interest rate	0.05	2	0.1
12) Decline in other currencies (JPY, KRW)	0.05	2	0.1
13) Severe traffic congestion along NAIA road (announced delay in construction as of Sept 2015)	0.05	4	0.2
14) Decrease in Philippine Foreign Trade - 2.7% (1st Semester of 2014 to 1st Semester of 2015)	0.05	2	0.1
15) Terrorism (Local and Global) - lesser tourists will be interested to visit due to the risks of being involved in terrorists attacks	0.05	4	0.2
16) Impact of Greece's default in other markets	0.05	2	0.1
	1		2.95

Analysis:

Opportunities

There are plenty of opportunities available that Resorts World Manila can take advantage in developing its operations, increasing its revenues and maintaining its market share in the industry. The ASEAN integration can be a bridge to open the doors for a participating country to foreign investors worldwide. With that, RW will be given the chance to generate more capital, gain interests for expansion (e.g. opening new branches in other parts of the Philippines) and have more customers specifically foreigners. With that it will be given a weight of 0.10. Resorts World will have a rating of 4 in this opportunity due to the following: 1) The implementation of Phase 3 (featuring its two new hotels – Hilton Manila and Sheraton Manila Hotel) will most likely create opportunities for increase in foreign trades as well as attraction of potential new customers. In addition, one of its hotels (Marriott Grand Ballroom) took part in hosting the APEC Summit held last Nov 2015, which is a good exposure for the company. 2) The construction of Resorts World Bayshore will open a variety of investment opportunities and will fuel tourism growth in the country.

The number of travellers/tourists is a great opportunity for the kind of business RW is in. Thus, it should be given a high weight as well (0.10) as its volatility impacts the operation of RW. The tourism business of Resorts World partly relies on the number of visitors coming in the country. Thus, the growth rate of the estimated Philippines visitors receipt is of vital role in the development of the company's strategies. In terms of the increase in estimated visitor receipts from 2014 to 2015, which is at 24.24%, Resorts World Manila gets a rating of 3 due to its commendable marketing strategies to capture its target market. According to Martin Paz (Chief Integrated Marketing Officer), the company has six vital marketing strategies. Though the main plans were not elaborated in detail as RW wanted to keep it in private due to tight competition, the officer was able to provide a gist of it.

- 1) To give importance to innovation
- 2) Maintain passion to the company's advocacy
- 3) Be updated to technological advancements
- 4) Create rapport with clients and other stakeholders
- 5) Ensure that the company is strategically located
- 6) Filter information to be disclosed to the public

As presented in the audited financial statements of the company, the distribution methods set by the management are very specific on the goals.

Responsibilities of the Marketing Team:

- 1) Market Research
- 2) Promos
- 3) Customers Survey
- 4) Event Management

Responsibilities of the Sales Team:

- 1) Revenues
- 2) Performance Channel

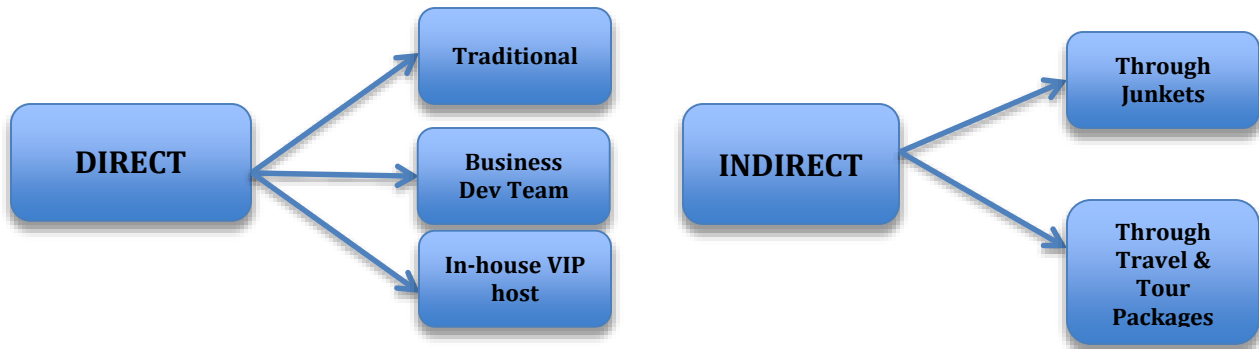
Coverage

- 1) Local
- 2) International

How the company disseminates information using media?

Through the use of the following: T.V, newspapers/magazines, radio and billboards.

To be able to cover the target market for gaming, entertainment & leisure and tourism, RW subdivided its teams to focus on different tasks. Please refer to the below.



However, aside from the marketing strategies and planning, it is essential for the company to maintain its desirable appearance to the customers and visitors. Since RW is older than Solaire and City of Dreams, its buildings and facilities are getting old. The company should consider part renovation (e.g. re-painting of buildings, revisiting facilities maintenance such as restrooms) to preserve its good appearance.

Most Recent Outside Appearance:





Stable employment rate and decreasing unemployment rate is a sign of a developing economy. People settling in their jobs and increase in the number of workers joining the labor force indicate that a country is developing. Thus it can have an effect on RW and it can be an opportunity for growth. This is given a lower weight (0.05), as its impact is not as vital as the previous factors. Resorts World Manila is responding well to this opportunity

and is also participating by providing more jobs to workers. On an annual basis, it has been increasing its number of employees providing more jobs to people. To maintain good relationship with people, it also complies with the necessary benefits that the laborers should receive such as retirement benefit obligation, bonuses, termination benefit, other compensated benefits etc.).

Labor and Employment

Labor Force Characteristics			
Indicator	Oct 2015	Jul 2015	Oct 2014
Employment Rate	94.4	93.5	94.0
Underemployment Rate	17.7	21.0	18.7
Labor Force Participation Rate	63.3	62.9	64.3
Unemployment Rate	5.6	6.5	6.0

Source: <https://psa.gov.ph/statistics/survey/labor-force>

	Actual as of December 31, 2013	Projected Headcount as at December 31, 2014
Gaming	2974	3193
Management & Admin	838	882
Hotel	559	408
F&B	482	496
Marketing	131	143
TOTAL	4984	5122

Source: Audited Financial Statement of Resorts World (2013)

	Actual as of December 31, 2014	Projected Headcount as at December 31, 2015
Gaming	3,057	3,411
Management & Admin	744	819
Hotel	422	443
F&B	427	494
Marketing	100	114
TOTAL	4,750	5,281

Source: Audited Financial Statement of Resorts World (2014)

Resorts World is given a rating of 3 in this factor. Even though it complies with the necessary requirement in maintaining a good level of employee retention, it should also consider another factor, which is hiring and developing of quality employees. This will help the company in its growth, development and preservation of its high-end reputation.

Improvement of the infrastructure along NAIA road will benefit Resorts World, as it will lessen the traffic congestion along the area where it is also located. Thus, making it easier for visitors to come and it will be less hassle for the other drivers (private cars, cabs, grab taxi, uber drivers) if the customers are taking other alternative rides. It is given a weight of 0.05 as it is a good opportunity for Resorts World but will have lesser effect compared to the others due to its previous advantage – location. The rating for RW in this opportunity is 4. Even though major competitors have the shuttle service to transport the visitors from one place to another, RW still have the most number of pick up and drop-off location. Improvements of infrastructures will not only reach tourists/travellers but will also expand the coverage of Resorts World Manila, targeting customers from farther places as well (e.g. residents from the north, east and west part of Metro Manila).

Shuttle Services: Pick Up and Drop-Off Points		
Resorts World Manila	Solaire	City of Dreams
Caloocan	Pasay City (SM Mall of Asia; Heritage Hotel Roxas Boulevard)	Makati City
Cavite	Makati City (Greenbelt 3 and Power Plant Mall)	Ermita
Laguna	Manila (Plaza Lorenzo Ruiz, Soler Street, Plaza Sta. Cruz)	Pasay City (SM Mall of Asia)
Las Pinas City		Taguig City
Makati City		Mandaluyong City
Malabon City		Cubao
Manila (Binondo)		Paranaque City
Marikina City		Manila (Binondo)
Muntinlupa City		
Navotas City		
Paranaque City		
Pasig City		
Quezon City		
Rizal		
San Juan City		
Taguig City		
Valenzuela		

Peso weakening (given a weight of 0.05) may not be good for the Philippine economy but it has certain benefits to Resort World Manila such as attraction of foreign investors (value of money in the Philippines will be higher) and increase in the number of foreign customers. RW's rating is 3. The company's completion of phase 2 by end of 2015, fulfillment of the completion of Phase 3 (to be finished by 2017) and establishment of Resorts World Bayshore (2019) may be considered as some of the strategic plans of Resorts World in relation to peso weakening. When phase 2 is completed, there will be more opportunities for new investors to come in. The probability of the increase in the number of customers will be higher as well. There will be more hotel capacities and newer high-end services will be offered.

The Philippine economic growth (given a weight of 0.10) has a strong impact to the business of Resorts World. It is highly dependent on the status of the Philippine economy. If the economy is growing, people (locally) will have more capacity to spend, which will lead to an increase in the allocation for entertainment and leisure. On the other hand, it will be more attractive for foreign investors to capitalize on businesses located in developing countries. In addition, it will indicate safety for other prospective foreign customers. The company will only get a 3 for this opportunity. Despite the building of Phase 3, which will

introduce two new hotels (Hilton and Sheraton) set to be opened in 2017, there are no other current projects/plans that will be implemented in a more recent timeline (Resorts World Bayshore's target is in 2019).

There is a positive forecast on the Philippine Casino Industry by 2018. The optimistic projection is a good indicator of the future success of the gambling business. It will have an impact on RW's strategy formulation as well as to its competitors. However, there are other factors to consider as well before 2018 (e.g. election) that might impact and tweak the projection a bit, thus a weight of 0.05 is given for this factor. Also, the company will only get a rating of 3. To ensure that it will retain its market share, it should maintain its competitive advantages and improve on the areas where competitors might overpower them. Looking at some of the major feature of the company now such as the ambiance and maintenance of the buildings and facilities, it seems that RW is losing its high-end form and is starting to attract consumers from the lower social classes. Unlike City of Dreams and Solaire where the buildings are still new and the facilities inside the establishment are very well maintained. In addition, competitors are starting to expand its services and add more attractions to the business (e.g. City of Dreams introduced Dreamplay; Solaire – construction of shopping area).

The increase in foreign trade, stable employment rate, decreasing unemployment rate and good forecast in Philippine GDP growth rate will have similar/related effects to Resorts World Manila. The company will gain more trust from investors. The increasing growth rate in tourism means that there is an increase in the number of travellers and tourists who are interested to visit the country, which will then lead to more customers. The weakening of peso is an opportunity for Resorts World as it will give more value to foreign currencies, which in effect will attract more investors and customers.

Threats

When it comes to the threats, the response of the company is also vital to the result of its performance, as its response will partly determine the future success of Resorts World Manila.

China is one of the top contributors of the company's foreign sales and one of the major contributors of Maxims Hotel's revenue (Gaming and Non-Gaming portion). The impact of the decline in its market will definitely have an effect on the company's income, giving it a weight of 0.10. RW is given a rating of 2 in this threat. Given the tight competition in the industry, there are no specific current strategies to maintain/increase its foreign sales. From Q3 of 2014 to Q3 of 2015, revenues for gaming already decreased by 24.60%.

The upcoming 2016 election may be considered as another threat to most businesses in the Philippines including Integrated Resorts. The impact may most likely be felt after the election (after spending of the candidates and political parties). The GDP growth forecast is high this coming 2016 presidential election. Analysts, use previous years growth rate as basis (2004 – 6.7%; 2010 – 7.6%). However, the effect will be felt after the designation of the newly elected government officials. The tendency of having an unstable market and bad economic condition is probable if the elected officials will not be under-performing. The risks of having business operations in the country will be higher. Market indicators such as GDP, inflation, interest rates etc. will fluctuate and the results might be disappointing. However, on the other hand, if the new officials will contribute to the betterment of the economy and the performance of the country, the result will be satisfying. Thus, the weight for 2016 election is 0.05. The response of Resorts World is given a rating of 3. As mentioned in the 2014 financial statement of the company, it is dependent on the condition of the Philippine economy. If the government is not successful in maintaining and stabilizing the

country's growth, it will have great impact on the business. A rating of 3 is given to RW as it has various responses to the risks that the company is exposed to. One would be the purchase of derivatives instruments. There are various derivatives products that can be used by the buying/selling parties in order to protect its money from various declines in economic factors such as interest/inflation rates for. One product (Credit Default Swap) can be used as protection as well for different credit events (e.g. bankruptcy). Also, with its wide array of businesses, it can leverage on some of it to cope with the losses of the others.

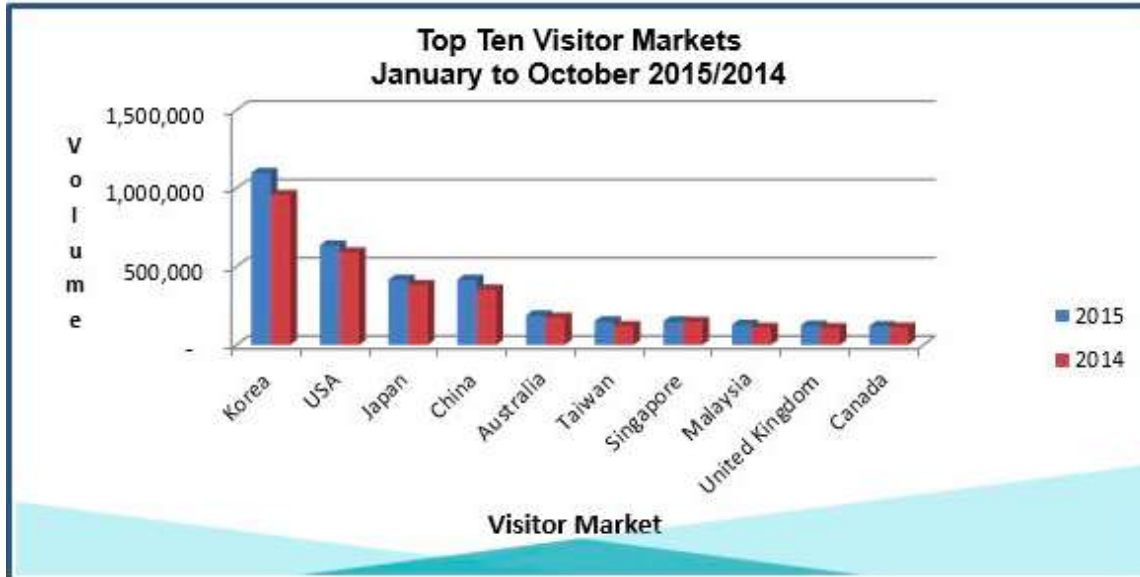
The intrusion of the church in the business of Casinos has impact on its operations but RW ensured that it has a program ("Responsible Gaming Program") to maintain integrity and prevent illegal activities from occurring within the premises of the company. This program lessens the risk of being accused by the Church in promoting the possible negative effects of gaming to people. Thus, giving RW a rating of 3 in this threat. The program may still not be enough due to the risks involved since cheating in games can be uncontrollable. However, due to the high amount of revenue that casino businesses bring to the Philippines backed by the good forecast of its revenue generation (\$ 6bn by 2018) that has positive effects in the country's growth, the intensity of the threat will be lower giving it a rating of 0.05. In addition, the upcoming Philippine election will have an impact on this threat, as the involvement in Church of the politicians to be elected will determine the influence of its voice in the business sector.

International issues such as Fed's plan to increase U.S interest rate, decline in foreign currency values (JPY, KRW) and the impact of Greece's default to other economies are obviously beyond the control of RW. However, in order to minimize the impact, it should ensure that its strategies are aligned with the needs and demands of the society and of other societies that has impact on its operations and revenue generating activities.

Fed's plan to increase interest rates will signal lesser foreign sales mostly from the United States, which is also part of the list of the top contributors in the Philippines. Since it will only be affecting the Non Gaming portion of the revenue it will get a weight of 0.05. More people will opt to save and lesser borrowings and expenses will most likely to be incurred. The most impact will be felt by Remington and Marriott Hotel, which it contributes the most (Non-gaming portion). RW will get a 2 in this threat also due to the lack of sufficient strategies.

On the other hand, the decline in JPY and KRW currencies will mostly affect Maxims and Remington Hotel (Gaming and Non Gaming) being the top contributors in these businesses. The weight given is also a 0.05 as it will only affect part of the gaming and non-gaming sector and with strategic planning, this can be not much of a threat to RW. Resorts World Manila will get a 2 in this threat due to insufficient strategies. Though the occupancy rate for the existing three hotels is quite high (85%), it is still haven't reached the full capacity and with the opening of Phase 3, there will be additional 936 new rooms to fill in. With the declining growth rates and currencies of the major economies there is a probability of a decrease in revenues due to lesser foreign customers.

The impact of Greece's decline to other markets might also have effects to the company. Investors might be more risk averse and the tendency to minimize the amount of investments/transactions is high. But the effect might only be minimal since it will be more indirect, giving it a weight of 0.03. With that, it will be a good strategy for the company to aggressively market its products/services to prospective clients in other countries with the top visitor markets such as Taiwan, UK and Canada.



Source: <http://www.tourism.gov.ph/pages/industryperformance.aspx>

Severe traffic congestion along NAIA terminal 3 road affects the business of RW as it will be less attractive for customers to visit - more costly and time consuming giving it a weight of 0.05. For private cars, there will be an increase in gas consumption whereas for commuters more money to spend in taxi or other modes of transportation. In addition, last Sept 2015, it was announced that the construction would be delayed due to various reasons.

RW cannot do anything with the infrastructure development as it is beyond its control and it will benefit the company in the future. However, to provide comfort and lessen the expenses of the consumers, the company provides free shuttle services in various locations to serve as pick up/drop off points giving it a rating of 4.

Decrease in Philippine foreign trade is a risk for the company as a huge chunk of its revenues are coming from foreign sales. If there will be lesser foreign trade, lesser businessmen will travel to the country which will lead to lesser opportunities to gain clients. In addition, lesser foreign trade means lesser business for the country, which will lead to lesser income and decline in various economic factors that will hamper overall growth. Weight will be 0.05 for this threat. The rating of RW to this threat is 2. There are not

much projects to attract foreign investors. Aside from the new hotels, there are no additional attractions or upcoming projects to improve the gaming sector and non gaming (except for the hotels) sector.

Terrorism is a threat in any country; the level of intensity affects tourists and businessmen in visiting and investing in a country. The danger of being involved in these issues can have tremendous effect. There are too much risks involved and RW should also provide assurance of safety. However, due to the recent reports, there is high threat of terrorism in the Philippines only in the Mindanao part of the country (not much in NCR – location of RW). It was also reported that as of 2014, most visitors left the country trouble-free. Thus the weight of this threat is 0.05. But to be sure, RW still considers the different possible business risks that the company might be involved such as Hazards and other catastrophes, money laundering, cheating in games, regulatory developments, competition, economic conditions, political conditions and supply of raw materials which may be related to terrorism. With that, it provides the assurance that it will not enter into any business transactions that are not properly supported (speculative) especially when huge amount of financials are involved. The rating is 4 under this threat.

Competitive Profile Matrix

In determining the ratings of the factors in the matrix, the results of the survey were considered and used as reference. Below are the results.

Customer Preference	Resorts World Manila			Solaire			City of Dreams		
	1	2	3	1	2	3	1	2	3
Location	19	6	6	8	15	2	5	12	14
Marketing	12	7	10	6	13	10	12	11	7
Customer Service	7	7	16	14	8	8	10	14	5
Pricing									
- Hotel	5	3	17	7	12	3	13	9	5
- Food Services (including restaurants)	5	6	15	9	10	7	11	12	4
- Casino	8	6	9	7	13	2	7	5	10
- Entertainment	6	10	9	7	7	12	10	7	8
- Shopping/Mall	16	2	6	6	8	10	2	15	8
Diversity of Products/Services	17	6	8	6	10	14	7	15	7
Ambiance (Atmosphere of the place)	5	6	17	10	11	6	12	11	5

Count	Factor
30	Price
22	Accessibility
20	Cleanliness
15	Facilities
22	Service
16	Reputation
14	Ambiance
13	Recommendation (includes ratings in the internet)
1	Others (please mention all if more than one)

Count	Factor
10	Price
3	Accessibility
3	Cleanliness
3	Facilities
1	Service
2	Reputation
1	Ambiance
1	Recommendation (includes ratings in the internet)
1	Others (please mention all if more than one)

Count	Games
17	Casino
7	Electronic Games
7	Bingo Games
3	Sports Betting

7	Poker Games
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Count	Establishment
12	City of Dreams
11	Solaire
9	Resorts World Manila

Competitive Profile Matrix of Resorts World Manila

		Manila		Solaire		City of Dreams	
Critical Success Factors	Weight	Rating	Score	Rating	Score	Rating	Score
Customer Service	0.2	2	0.4	4	0.8	3	0.6
Pricing	0.2						
- Hotel	0.025	3	0.1	2	0.1	1	0.0
- Food Services (including restaurants)	0.025	1	0.0	4	0.1	3	0.1
- Casino	0.1	2	0.2	1	0.1	4	0.4
- Entertainment (e.g.cinema, attractions)	0.025	3	0.1	2	0.1	4	0.1
- Shopping/Mall	0.025	3	0.1	1	0.0	2	0.1
Effective Financial Management	0.15	4	0.6	3	0.5	2	0.3
Location/Accessibility	0.1	4	0.4	3	0.3	2	0.2
Network	0.1	4	0.4	2	0.2	3	0.3
Diversity of Products/Services	0.1	3	0.3	1	0.1	2	0.2
Ambiance (Atmosphere of the place)	0.1	2	0.2	4	0.4	3	0.3
Marketing	0.05	3	0.2	2	0.1	4	0.2
GRAND TOTAL	1		2.90		2.68		2.75

There are several factors that can be considered in determining the success of a business. In this paper, the major factors in determining the success of an Integrated Resorts business (with Gaming, Non-Gaming and other income sectors) were examined.

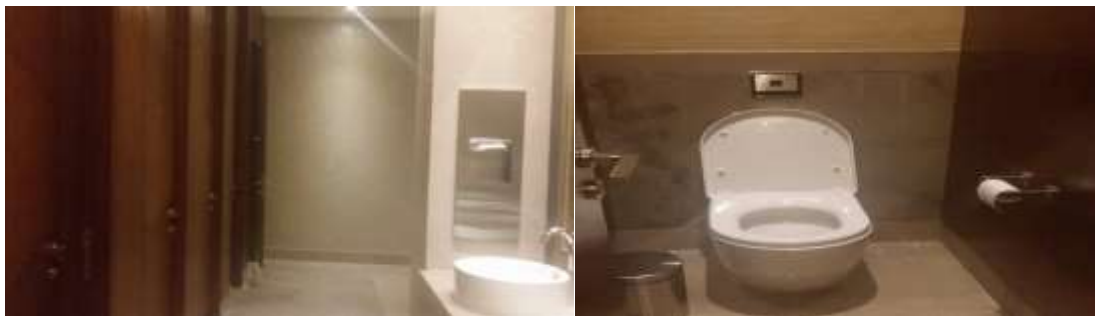
Customer Service:

This is given the highest weight (0.2), as this type of business is very dependent on its customers' satisfaction. There is very much customer interaction in all aspect of the business (gaming and non-gaming). Thus it is vital for the company to maintain its high quality services to be able to ensure loyalty, brand recall, recommendation and customer return.

Solaire will get the rating of 4 due to the following: most friendly and accommodating staff, most presentable staff (appearance, uniform – looks professional, more good looking), roaming staff to ensure that everything is under control and all customers' needs are attended to and there is tight security in all entrances of the establishment (e.g. thorough checking of baggage).

Sample incident where service is tested: Two children were left by their parents in the food court with no chaperon or acquaintance, the younger one can't stop crying and is starting to cause a scene bothering other customers eating and hanging out in the place. The older brother cannot stop the younger one and seems to have no idea of what he can do to calm her down. After a few minutes, an attendant approaches the two children and asks if there is a contact number to immediately call the parent. After less than 10 minutes, the attendant was successful in coordinating with the parent and she arrived in the place to get her children. Facilities are excellent; all are in good working condition (e.g. restroom, façade (inside and out), smell –there is good fragrance, slot machines, tables and chairs).

Sample Pictures:





City of Dreams will have a rating of 3 as its services is very close to Solaire – with the friendly, accommodating and presentable staff, roaming attendants (continuously refilling glasses of coffee, juices and water). Facilities are in average level, clean and comfortable to use however there are some rooms for improvement (e.g. some cubicles in restrooms are not in good working condition). Also, there are entrances where the security is not that tight. A person can enter even without being checked by the guards.

Lastly, Resorts World will get a rating of 2. The staffs are not as accommodating and friendly compared to the other two. Presentation and the way staffs communicate are in an average level (not as good as Solaire and City of Dreams). No roaming attendant to provide the complimentary drinks to the customer (but there are complimentary drinks). Facilities are in average level, clean and comfortable to use however there are some rooms for improvement (e.g. there are missing toiletries in restrooms). On the other hand, security is tight in all entrances.

Pricing

A total weight of 2 will be given to pricing, which is subdivided into Hotel, Food Services, Casino, Entertainment and Shopping Mall. All will be given equal weights 0.025 except for Casino, which is 0.1 since it is the major contributor of revenues in the business.

Hotels

Summary:

Summary of Room Rates: (all are in Php)					
RESORTS WORLD MANILA		SOLAIRE		CITY OF DREAMS	
<i>Remington Hotel</i>		<i>Bay Tower</i>		<i>Crown Towers</i>	
Standard	4,500.00	Deluxe Room King City View	10,300.00	Resort Room	11,000.00
Premium	5,000.00	Deluxe Room King Bay View	10,800.00	Resort Studio Room	14,000.00
		Grand Deluxe Room King City	11,300.00	Deluxe Rooms	14,300.00
<i>Maxims Hotel</i>		Grand Deluxe Room Double City	11,300.00	Premier King	17,100.00
Maxims Villa	127,800.00	Grand Deluxe Room Double Bay	11,800.00	Resort Suite	21,100.00
Signature Suite	20,800.00	Premier Suite	20,800.00	Executive Suite	26,700.00
Maxims Deluxe Suite	15,800.00				
Corner Suite	19,800.00	<i>Sky Tower</i>		<i>Nobu Hotel</i>	
Ambassador Suite	52,800.00	Sky Studio King	16,300.00	Nobu Deluxe	8,300.00
Executive Suite	19,800.00	Sky Studio Queen	16,300.00	Nobu Premier	9,300.00
Maxims Suite	14,800.00	Prestige Sky Suite	30,300.00	Nobu Executive	11,300.00
The Mansion	253,800.00	Grand Suite 1	41,300.00	Nobu Suite	19,300.00
		Grand Suite 3	55,800.00		
<i>Marriott Hotel Manila</i>				<i>Hyatt Hotel</i>	
Deluxe Room, 1 King or 2 Double	29,000			Hyatt King	10,130.00
1 Bedroom Executive Suite, 1 King, High Floor	34,000			Hyatt Twin	10,130.00
1 Bedroom Presidential Suite	38,000			Hyatt Deluxe King	10,630.00
				Hyatt Deluxe Twin	10,630.00
				Club King	12,630.00
				Club Twin	12,630.00
				Bay View Deluxe	13,630.00
				Aqua Site	14,630.00

In terms of pricing for hotels:

For the hotels, factors considered: pricing variety, value for money, closeness/differences of amenities and services. Resorts Word Manila will get the highest score, which is at 3 as it has the widest pricing variety (from mid range to the most luxurious) among the three. It also has the grandest ballroom among the other hotel businesses (Marriott Grand Ballroom). In addition, its location being

nearest to the airport can be considered as one of its major competitive advantage. However, the main reason why it didn't get the highest score is the lack of multilingual staff. There may be services within the hotel where it offers assistance to foreign visitors who can only speak their local languages but it is not visible in any of its marketing tools (e.g. official websites and affiliate websites such as agoda.com). However, overall there is value for money in terms of the amenities and services that it can offer.

Solaire will come in second place with a rating of 2. The amenities and services that Solaire can offer are exemplary as well. It has the posh and upscale ambiance that is marketable to high-income class clients. However, it got a lower rating as there is lesser pricing variety and limited amenities compared to Resorts World Manila and City of Dreams.

City of Dreams will come in last place. Its good points are: good pricing variety and ample amenities and services are being offered and provided to clients. However, in terms of quality- it was rated as the worst hotel in the world by an international travel-rating company (Luxury Travel Intelligence). It is a membership club that provides criticisms and unbiased feedbacks on high-end hotels worldwide. Main points given are the unsatisfactory performance of the management and the failure to provide luxurious feel to the customers given that it is the target market of the company. In addition, it was mentioned that it also lost its exclusivity in the Philippines. Thus, it loses the value for money for its customers.

Restaurants

Summary:

Summary of Restaurant: (all are in Php)		
RESORTS WORLD MANILA Ginzadon Budget: P500 - P999 The Terrace Budget: P800++ Passion Budget: P500-800 Prosperity Court Budget: P300-P500 Cafe Maxims Budget: P150-300 Franks Budget: P200 - P499 Victoria Harbour Cafe Budget: P200 - P499 Bar 360 Budget: P300-500 House Manila Budget: P500++	SOLAIRE Yakumi Budget: P500 - P900 Finestra Budget: P500 - P999 Red Lantern Budget: P500 - P999 Fresh Budget: P1000 & Up Lucky Noodles Budget: P500 - P999 Food Court Budget: P150-300 Strip Steakhouse Budget: P2,000 up	CITY OF DREAMS Nobu Restaurant Budget: P1000 & Up The Tasting Room Budget: P1000 & Up Crystal Dragon Budget: P1000 & Up Red Ginger Budget: P500 - P999 Noodl8 Budget: P500 - P999 The Hyatt Café (Hyatt City of Drea Budget: P1000 & Up Breezes Budget: P500 - P999 Wave Budget: P500 - P999 Crystal Lounge Budget: P500 - P999 Nobu Tea House (Nobu Hotel Mar Budget: P500 - P999 Café Society Budget: P500 - P999 Taipei 101 Ding Xian Manila Gourn Budget: P1000 & Up Erwin's Gastrobar Budget: P500 - P999 O Kitchen Oriental Kitchen Budget: P500 - P999 Apu Authentic Filipino Cuisine Budget: P500 - P999 Prego Ristorante Italiano Budget: P1000 & Up

Three factors are considered: Quality of food, value for money and ambiance.

Solaire will get the highest score in this factor as it has excellent food selections and there is value for money. The fine dining restaurants prices are expensive but the ambiance, the taste/quality of food, the presentation and services makes it worth it. Same goes for the casual, the bars and the less expensive ones. City of dreams will get a rating of 3 as it has good selections as well but not as excellent as that of Solaire, some food items are overpriced (e.g. Japanese Restaurant in Nobu – nothing special in the menu but the price is expensive). But overall, City of Dreams is still on the above average level in terms of its restaurants. Lastly, Resorts World will have the lowest rating. It may have the cheapest selection but unlike Solaire and City of

Dreams it has average ambiance, service, appearance, taste of food, which leads to lesser value for money.

Casino

Summary:

Summary of Casino Prices: (all are in Php)		
RESORTS WORLD MANILA Slot Machines - P 1 - P600 up Baccarat - P 300- 500; P 1,000 - P 3000 + Money Wheel - P 200 - P 60,000 Sicbo - P 200 + Lunar Poker - P 300 + BlackJack - P 300 - P 500 + Roulette - P 100 +	SOLAIRE Slot Machines - P 1 - P600 up Baccarat - P 300- 500; P 1,000 - P 3000 + Money Wheel - P 100 - P 60,000 Sicbo - P 200 + Lunar Poker - P 300 + BlackJack - P 300 - P 500 + Roulette - P 100 +	CITY OF DREAMS Slot Machines - P 1 - P600 up Baccarat - P 300- 500; P 1,000 - P 3000 Money Wheel - P 100 - P 60,000 Sicbo - P 200 + Lunar Poker - P 300 + BlackJack - P 300 - P 500 + Roulette - P 100 +

For the Casino prices, all prices are the same, though there are very minimal differences in other games such as money wheel – P 100 difference. But all are very close or same with each other. To compare, the basis will be the pricing variety based on the number of gaming tables.

Summary of Casino Tables:		
RESORTS WORLD MANILA 127 VIP tables 169 mass tables 1,868 slot machines 210 electronic game units	SOLAIRE 1,400 slot machines 295 gaming tables 88 electronic table games	CITY OF DREAMS 380 gaming tables 1,700 slot machines 1,700 electronic table games

As such, City of Dreams will get the highest rating (4), as it has the most number of gaming tables (380). Since the gap is a bit wide, Resorts World Manila (in second place) with 296 tables will get a rating of 2. Lastly, with very minimal difference with 295 gaming tables, Solaire will get a rating of 1.

Entertainment

Summary:

Summary for Entertainment: (all are in Php)		
RESORTS WORLD MANILA Theater - P 670k to P690k Cinema - P275 - P525 GameZoo - P15 - P100+	SOLAIRE Theater -confidential	CITY OF DREAMS Dreamplay Toddler - P50 Kids - P880 - P1500

For the entertainment, City of Dreams will get the highest rating due to the value of

money for the *"Dreamplay"* facility inside the establishment. With the activities offered, it is definitely worth it to bring the kids in the area to experience *"Dreamplay"*. This is very new in the Philippines. Resorts World will come in second, as the activities are just normal - similar to malls (movie house and GameZoo). GameZoo consists of activities for kids also, but it is no different than a usual arcade (e.g. Timezone). Prices of movie house are similar to malls as well (e.g. SM, Ayala). Solaire will come in last place as there are not much entertainment activities in the place except for the theater. However, relatively the price of the tickets are more expensive than that of Resorts World Manila with very similar amenities and services. Thus, there is lesser value for money.

Shopping/Malls:

Summary for Shopping Malls:		
RESORTS WORLD MANILA Res Toe Run The World's Finest Liquor Montenapoleone Meridian Victoria's Secret Swarovski Fuma G-Force Nuts About Candy Tudor Duty Free BCBGMAXAZRIA Villa Del Conte Lacoste Footwear The Face Shop The Body Shop The Travel Club Rolex Rimowa Montblanc Beyond The Box Art of Scent U-Boat Sunglass Haven Rustan's Silver Vault Puma Porsche Design Planet Sports Pandora Original Penguin My Tempo Michael Antonio Le Temps by Lucerne La Senza Kristine Jewellery Hush Puppies Call It Spring Charriol Charles & Keith Bench Bedat & Co. Giordano 158 Designer's Boulevard Mango Lacoste Clothing Adidas	SOLAIRE Some of the stores lined-up: Paul Smith Rimowa Lucerne Pandora BDO Branch inside Solaire	CITY OF DREAMS Stuart Weitzman Rolex Mont Blanc Assembly Rimowa Porsche Design Paul and Shark Yachting Linda Farrow Hugo Boss BCBMAXAZRIA Arts of Scent SSI Watches Roberto Cavalli Cesare Paciotti Canali Oeelin SSI Fashion

For the shopping malls:

Resorts World will get the highest rating due to its diversity of stores and boutiques.

It can cater to high-end individuals as well as middle and lower class people. City of Dreams will come in second place with 17 stores and Solaire will come in last place, as it hasn't opened its shopping area yet. No disclosure of the complete list of the stores/boutiques.

Financial Position

Financial position will get the second highest weight of 0.15 as aside from customer service, the major indicator of a successful business is if it is generating income and managing its expenses well.

For the financial position, RW is still on top with a net income in 2014 of Php 5.4bn and Php 2.8bn for Q3 of 2015. Solaire will be ranked second due to its high net income in 2014, which is at Php 4.1bn. However, by Sept 2015, it generated a loss of Php (1.5)bn coming from the huge operating costs and expenses. But still relative to the revenues, Solaire generated a higher amount of sales than City of Dreams. With that, City of Dreams will be in last place, with a net loss of Php (6.3)mm in 2014 and Php (3.9)mm in Sept 2015. However, City of Dreams is the newest among the three and has a huge potential for growth. The probability of overtaking the other competitors is high for this company. In the survey conducted, most respondents prefer to go to City of Dreams (12 out of 30) and some reasons are due to Dreamplay.

Location

For the location, the weight given is 0.10 as it is an important indicator of success, but of lesser significance than the previous three. Having a strategic location (accessible, near other establishments) affect the decisions of customers. It benefits the company in many ways such as easier marketing and more attractiveness to travellers especially businessmen.

Being the first international casino business to enter the Philippines, RW was able to acquire the most strategic location, which is in front of NAIA terminal 3 and is near

the other two terminals that give the easiest access to tourists and travellers. In addition, it has the most number of pick up and drop off points for the shuttle service. Also, there are infrastructure projects along the vicinity, which indicates more accessibility of the place in the future. Thus it will get the highest rating. Solaire, on the other hand is still in the vicinity but the farthest among the three (near the SM Mall of Asia). However, it will have a higher rating than City of Dreams due to the ambiance (near the manila bay area) and exclusivity. The transport is not very difficult as there is shuttle services as well same as the other two. Lastly, City of Dreams is in the same city but also farther from the airport terminals. It is just almost across Solaire but in a more populated area. There is more congestion compared to Solaire.

Network

Network		
Resorts World	Solaire	City of Dreams
Alliance Global Group Inc.	Cantor Fitzgerald, L.P.	Caesars Entertainment Corporation
Genting Hongkong Limited	Sureste Properties, Inc.	Crown Casino and Entertainment Complex
Mega World Corporation	Bloom Capital B.V.	Hyatt Hotels Corporation
First Centro, Inc.	Solaire Korea Co., Ltd.	DreamWorks Animation SKG, Inc.
Star Cruises Philippines Holdings B.V.	Bloomerry Resorts and Hotels Inc.	Nobu Hospitality LLC
Adams Properties Inc.	G&L Co. LTD	City of Dreams (Macau)
Asian Travellers Ltd.		
Premium Travellers Ltd.		
RW Sentosa (Singapore)		
RW Genting (Malaysia)		
Marriott Hotels & Resorts		
Deluxe Hotels and Recreation, Inc.		
Entertainment City Integrated Resorts & Leisure Inc. (ECIRLI)		
FHTC Entertainment and Productions Inc. (FHTC)		
Golden Peak Leisure and Recreation, Inc. (GPLRI), formerly Yellow Warbler Leisure and Recreation, Inc.		
Grand Integrated Hotels and Recreation, Inc. (GIHRI)		
Grandservices, Inc. (GSI)		
Grandventure Management Services, Inc. (GVMSI)		
Lucky Panther Amusement and Leisure Corporation (LPALC)		
Lucky Star Hotels and Recreation, Inc. (LSHRI)		
Luminescent Vertex Hotels and Leisure Corporation (LVHLC)		
Magenta Centaurus Amusement and Leisure Corporation (MCALC)		
Majestic Sunrise Leisure & Recreation Inc. (MSLRI)		
Net Deals, Inc. (NDI)		
Newport Star Lifestyle, Inc. (NSLI)		
Royal Bayshore Hotels & Amusement Inc. (RBHAI)		
Sapphire Carnation Leisure and Recreation Corporation (SCLRC)		
Scarlet Milky Way Amusement and Leisure Corporation (SMWALC)		
Sparkling Summit Hotels and Leisure Corporation (SSHLC)		
Valliant Leopard Amusement and Leisure Corporation (VLALC)		
Vermillion Triangulum Amusement and Leisure Corporation (VTALC)		
Westside Theater Inc. (WTI)		
Westside City Resorts World Inc. (WCRWI), formerly Resorts World Bayshore City, Inc.		
Manila Bayshore Property Holdings, Inc. (MBPHI)		

Connection is vital in RW's business. Most businessmen and VIPs are affiliated with large companies in the Philippines and worldwide. To reach the target market, the company should be linked to a number of subsidiaries and affiliates. With that the weight for networks is 0.10.

Resorts World will get the highest rating, as it has the most number of networks among the three. It is backed up by Travellers International Hotel Group Inc. and Alliance Global Inc, which is one of the largest conglomerates in the country. Another reason, being the first to establish in the Philippines, it was able to increase its connections through the years. Also, being related to RW Genting and RW Sentosa, it easily acquired subsidiaries and affiliates. It is expected to increase its numbers after Phase 3 (opening of Hilton and Sheraton Hotels). Next is City of Dreams, having a close number with Solaire. The network of City of Dreams is wider as most are international companies (outside Asia). Also, DreamWorks is a very big network and can reach a high number of clients worldwide. Last would be Solaire, though it was able to create networks with huge companies it is still less than that compared to Resorts World and City of Dreams.

Diversity of Products/Services

To be able to capture a wider range of market or maintain the loyalty of customers, the company should continuously innovate. There should be variety in products and services. Weight given for this factor is 0.1.

Resorts World will be given the highest rating as it has the most number of products and services (Casino, Hotel, Restaurants, Bars, Newport Mall – a no. of stores/restaurant, GameZoo, movie house, theater). However, it doesn't get the

highest rating as the quality of products/ services are just in an average level and there are other possible products/services that can be added. Second is City of Dreams with various products and services as well such as Casino, Hotels, Restaurants, Bars and Dreamplay. Last would be Solaire though with the most appealing ambiance, it has the least number of products and services (Hotel, Casino, Restaurants and Theater).

Resorts World Manila

HOTELS		
Marriott Hotel	Maxims Hotel	Remington Hotel
24-hour front desk	24-hour front desk	24-hour front desk
24-hour room service	24-hour room service	Casino
airport transfer	airport transfer	Elevator
ATM/cash machine on site	ATM/cash machine on site	Restaurant
Bar	Bar	smoking area
business center	business center	airport transfer
coffee shop	coffee shop	coffee shop
Concierge	Concierge	facilities for disabled guests
Elevator	Elevator	safety deposit boxes
Resorts World	executive floor	vending machine
facilities for disabled guests	facilities for disabled guests	Bar
Laundry	Laundry	Concierge
service lockers	service lockers	laundry service
Luggage	Luggage	shuttle service
Storage	Storage	golf course (within 3 km)
meeting facilities	meeting facilities	Wi-Fi in public areas
newspapers	newspapers	car park
poolside bar	poolside bar	Language Spoken: English/Filipino
Restaurant	Restaurant	
room service	room service	
safety deposit boxes	safety deposit boxes	
Salon	Salon	
fitness center	fitness center	
hot tub	hot tub	
Massage	Massage	
outdoor pool	outdoor pool	
Sauna	Sauna	
Spa	Spa	
Steamroom	Steamroom	
Internet	Internet	

car park	car park/valet parking	
valet parking	Language Spoken: English/Filipino	
Language Spoken: English/Filipino		

CASINO		
RW Membership Card	Gaming Guide	Complimentary Drinks (Bottled Water, Juice, Coffee)

RESTAURANTS/DINING		
Ginzadon	Prosperity Court	Victoria Harbour Cafe
The Terrace	Cafe Maxims	Bar 360
Passion	Franks	House Manila

ENTERTAINMENT & SHOPPING (NEWPORT MALL)		
Entertainment		
Theater	GameZoo	Movie House
Shopping		
Res Toe Run	Rustan's Silver Vault	Johnny Chow
The World's Finest Liquor	Puma	Red Crab
Montenapoleone	Porsche Design	Coffee Bean
Meridian	Planet Sports	Crepes and Crème
Victoria's Secret	Pandora	Kettle (not yet opened)
Swarovski	Original Penguin	Sizzlin Steak
Fuma	My Tempo	Mcdonalds
G-Force	Michael Antonio	Serenitea
Nuts About Candy	Le Temps by Lucerne	Crisostomo's
Tudor	La Senza	Ikkoryu Fukuoka Ramen
Duty Free	Kristine Jewellery	Shabu Shabu
BCBGMAXAZRIA	Hush Puppies	Recipes
Villa Del Conte	Call It Spring	Bulgogi Brothers
Lacoste Footwear	Charriol	Sunglass Haven
The Face Shop	Charles & Keith	U-Boat
The Body Shop	Bench	Other Restaurants/Food Establishment:
The Travel Club	Bedat & Co.	Art of Scent
Rolex	Giordano	Adidas
Rimowa	158 Designer's Boulevard	Lacoste Clothing
Montblanc	Mango	Beyond The Box

SOLAIRE

HOTEL		
24-hour front desk	fitness center	Casino
ATM/cash machine on site	hot tub	currency exchange
business center	Sauna	executive floor
coffee shop	games room	laundry service
dry cleaning	Massage	Newspapers

express check-in/check-out	Spa	Restaurant
luggage storage	Garden	Salon
Nightclub	outdoor pool	smoking area
room service	Steamroom	Language Spoken:
Shops	free Wi-Fi in all rooms	Chinese (Cantonese)
Tours	Wi-Fi in public areas	Filipino
24-hour room service	car park	Chinese (Mandarin)
Babysitting	valet parking	English
car hire	shuttle service	Korean
Concierge	vending machine	Japanese
Elevator	airport transfer	poolside bar
facilities for disabled guests	Bar	safety deposit boxes
meeting facilities		

CASINO		
Solaire Rewards	Casino Gaming Guide	Complimentary Drinks (Bottled Water, Juice, Coffee)

RESTAURANTS/DINING		
Yakumi	Fresh	Food Court
Finestra	Lucky Noodles	Strip Steakhouse
Red Lantern		

ENTERTAINMENT & SHOPPING		
Entertainment		
Theater		
Shopping (not yet open)		
<i>Some of the stores lined-up:</i>		
Paul Smith	Lucerne	BDO Branch inside Solaire
Rimowa	Pandora	

CITY OF DREAMS

HOTELS		
Hyatt Hotel	Crown Towers	Nobu Hotel
24-hour front desk	24-hour front desk	24-hour front desk
ATM/cash machine on site	Babysitting	24-hour room service
Casino	Casino	ATM/cash machine on site

currency exchange	currency exchange	Bar
executive floor	express check-in/check-out	car hire
luggage storage	meeting facilities	Casino
room service	poolside bar	coffee shop
Shops	safety deposit boxes	Concierge
Tours	24-hour room service	currency exchange
24-hour room service	Bar	daily housekeeping
Babysitting	coffee shop	dry cleaning
coffee shop	dry cleaning	Elevator
dry cleaning	laundry service	express check-in/check-out
facilities for disabled guests	Newspapers	laundry service
Newspapers	Restaurant	luggage storage
safety deposit boxes	Shops	meeting facilities
shuttle service	ATM/cash machine on site	newspapers
airport transfer	car hire	Nightclub
car hire	Concierge	poolside bar
Concierge	Elevator	Restaurant
Elevator	luggage storage	room service
laundry service	Nightclub	safety deposit boxes
Restaurant	room service	shared lounge/TV area
Salon	smoking area	Shops
smoking area	fitness center	fitness center
fitness center	Spa	Massage
outdoor pool	Massage	outdoor pool
pool (kids)	outdoor pool	Spa
free Wi-Fi in all rooms	free Wi-Fi in all rooms	free Wi-Fi in all rooms
Wi-Fi in public areas	car park	car park
car park	valet parking	valet parking
valet parking	Languages Spoken:	Languages Spoken:
Language Spoken:	Chinese (Mandarin)	Chinese (Mandarin)
English/Filipino	English	Japanese
	Filipino	English
		Korean
		Filipino

CASINO		
Dream Rewards	Complimentary Drinks (Bottled Water, Juice, Coffee)	Gaming Guide

RESTAURANTS/DINING		
Nobu Restaurant	Crystal Lounge	Prego Ristorante Italiano
The Tasting Room	Nobu Tea House (Nobu Hotel Manila)	Wave
Crystal Dragon	Café Society	Apu Authentic Filipino Cuisine
Red Ginger	Taipei 101 Ding Xian Manila Gourmet Restaurant	Breezes
Noodl8	Erwin's Gastrobar	O Kitchen Oriental Kitchen
The Hyatt Café (Hyatt City of Dreams Manila)		

ENTERTAINMENT & SHOPPING		
Entertainment		
Dreamplay	Centerplay	
Shopping		
Stuart Weitzman	BCBMAXAZRIA	Hugo Boss
Rolex	Arts of Scent	Oeelin
Mont Blanc	SSI Watches	SSI Fashion
Assembly	Roberto Cavalli	Paul and Shark Yachting
Rimowa	Cesare Paciotti	Linda Farrow
Porsche Design	Canali	

Ambiance

Lastly, the ambiance of the three companies is excellent. Since, its main goal is to provide enjoyment and leisure, it is necessary to provide the customers with a relaxing and happy environment giving it a weight of 0.1. However, there is always the best among the rest. In this case, Solaire has the best ambiance followed by City of Dreams then Resorts World Manila.

Solaire has the best ambiance among the three. The whole place has the feel of a high-end hotel. It has a fragrance smell that is very relaxing. There are a lot of people but doesn't look crowded. The interior is nice, clean and pleasant.

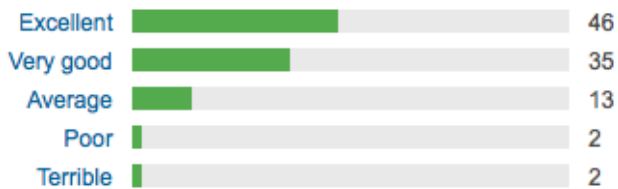
City of Dream will be on second place due to its fairly good ambiance as well. The lightings are very enticing and pleasing to the eye. The whole place is clean and looks fun and exciting. The big circular thing in the middle also adds to the attraction.

Resorts World Manila is in last as due to its various product/services, the place looks crowded and a bit chaotic. There is no luxurious feel anymore. There is cigarette smell in most areas. Some people who are entering the establishment are not that civilized.

Ratings from trip advisor:

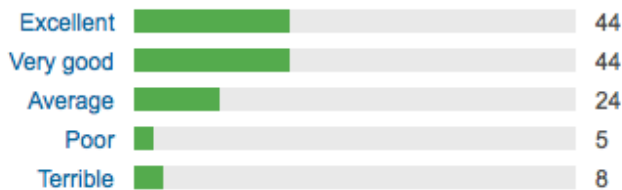
Solaire

Visitor rating

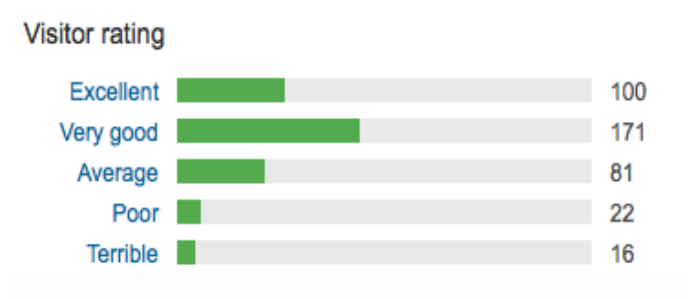


City of Dreams

Visitor rating



Resorts World Manila



Marketing

Marketing is a critical success factor but will get the lowest weight (0.05) among the other seven factors. It is important to have a good/aggressive marketing strategy but the services, connections, pricing, financial management, location, ambiance and variety of products should be proven to be on an above average level and high quality first before selling it to people to be able to ensure the long term effect (e.g. loyalty, recommendation etc.) of encouraging the customers.

For marketing, City of Dreams will get the highest score due to the following: it is the most popular due to its initial existence in Macau, it caters to the whole family (with Dreamplay) and the ambiance looks fun and exciting. Resorts World Manila will come in second place due to its marketing structure (described in the EFE portion). It also has the competitive advantage due to its branches in Singapore and Malaysia. Also, its event calendar (Newport Performing Arts Theater) is always fully booked. In addition it is sponsoring some t.v. shows like *"It takes guts to be a Gutierrez"*. Solaire will be getting the lowest score as it is the least popular among the three. Solaire may come in last but it is catching up with the other two companies (e.g. hosting the Les Miserables show in Manila), which is a good marketing strategy. Les

Miserables is one of the biggest shows that will be held in the Philippines and Solaire was able to get hold of it.

City of Dreams



Resorts World



Solaire





V. INDUSTRY AND COMPETITOR ANALYSIS

Internal Factor Evaluation (IFE) Matrix

	Weighted		
	Weight	Rating	Score
Strengths			
1) Net income increased from 2.8 mm to 5.4 mm (50.31% increase) and PPE grew by 13.35% - includes the expansion of Marriott Hotel	0.15	4	0.60
2) The company has good network (wide number of affiliates/susidiaries) - 34 companies. Therefore there is a continuous increase in stockholder's equity (33bn to 39bn).	0.10	4	0.40
3) A one stop shop (Casino, Hotel, Theatre, Mall, Movie House)	0.10	3	0.30
4) Relatively wider price range for the hotels and shops in the Newport Mall	0.10	3	0.30
5) Good location - across NAIA Terminal 3 and 5 kilometers away from NAIA Terminal 1 and NAIA Terminal 2 and the company provides convenience to customers (better accessibility) by offering free shuttle services - 17 drop off/pick up points	0.10	4	0.40
6) RW Mobile Companion (Online Advertising Strategy)	0.05	3	0.15
Weaknesses			
7) For the employees: Low product knowledge, weak customer rapport for staff and lacks multilingual staff and For the establishment: Facilities are not maintained well (e.g. Restrooms, façade of the hotels are not enticing - needs repainting)	0.20	2	0.40
8) Congestion in gaming area leads to limits in pricing variety (issue on space utilization - not being optimized)	0.10	2	0.20
9) Place is a bit congested, the ambiance is becoming less upscale, pleasant and posh.	0.10	2	0.20
TOTAL	0.85		2.95

Internally, Resorts World Manila can be considered a competitive and stable company. It is able to maximize its strengths as well as manage its weaknesses. However, it has to improve on some of its strategies in order to turn its weaknesses into strengths and develop new strategies to maintain its number one position and retrieve its market share (being taken slowly by Solaire and City of Dreams).

The weights are proportional to the critical success factors to be consistent and align the Internal Factor Matrix with the Competitive profile Matrix.

Strengths

The reach of the company is a big factor to its growth. Being the first to establish in the Philippines (has the first mover advantage) and an affiliate of RW Sentosa and RW Genting, it already has its connections before it was introduced in the Philippines. It is continuously widening due to its expansions, exposures, brand recall and increase in stockholder's ownership throughout the years (since 2009). Thus it will get a rating of 4 in this strength.

It is considered as a one-stop shop due to its other businesses such as the hotel, theater, mall, restaurants, bars, arcade, movie houses and others. It can widen its market and network as well. The rating for RW in this factor is 3 as being one of the integrated resorts in the country; it has the most number of products and services. It was able to maximize on every opportunity available to the company. However, due to the many services and products (some are affordable) available, it attracts customers from Upper Middle Class to Middle Class, which changes the image of Resorts World from being a high end establishment to extending the market to lower classes.

Another, it has a relatively wider price range in terms of products and services for the hotels and shops in the Newport Mall. This is one of the strengths of RW as it has the capability to offer the simplest rooms with the cheapest rate (maintaining the upscale ambiance) to the classiest and most glamorous with the most expensive rate. RW is given a rating of 3 as it can offer a wider variety for its customers (which is a good thing) but on the other hand, it will affect the reputation of being consistent in providing the most luxurious products and services to tapping the middle class individuals.

Net income is one of the most important factors to consider in determining the success of a business. As per the company's latest audited financial statement, it gained a 50.31% increase in net income from 2013 to 2014. This is a good indicator of a good business operation. The company has a sound financial condition. In addition, it will attract more investors to come in due to its attractive financial standing. However, when the income statement is assessed thoroughly, the main cause of the increase in net income is due to the decrease in finance costs (payment of interest bearing notes) and not due to increase in revenues. In fact, its revenues decreased during the year. But overall, RW is managing its finances well.

Another major strength of Resorts World Manila is the continuous growth in its Property, Plant and Equipment - a portion of long-term assets, due to the expansion of its existing hotel (Marriott Hotel) and the upcoming Hilton and Sheraton Hotel. In addition, it is also developing Resorts World Bayshore which is targeted to be complete on 2019. The rating for the financial factors would be a 4 for Resorts World Manila as it has been maximizing the development of Marriott Hotel by

aggressive marketing (such as sponsorship of T.V Shows - "It Takes Gutz to be a Gutierrez", New Year Countdown in ABS CBN). The outlook is very optimistic and the company believes that it will be capturing most of the tourists in the coming years (having all the hotels together - Marriott, Sheraton, Hilton and Maxims). Given its large networks, there is a high probability that it will reach its goals. This is significant to the company as a relatively huge portion of its revenues in the Non-Gaming sector is coming from the Hotel business.

As part of its mission statement, the company aims to continuously innovate, as it doesn't settle for mediocrity. Thus, due to technological advances and easier access to the Internet, the company introduced the RWM mobile companion, which is an application that can be used by customers to check for updates and other latest stuff in RW. RW is the first one to introduce this feature. Even though, the mobile companion is very helpful and provides convenience to customers, there should be other marketing tactics to be implemented in order to maintain the number one positions. Thus, giving RW a rating of 3.

Location is another factor to consider in leading a business to success. Being able to find the most strategic location will benefit a company in many ways. For RW, being the first to establish its business in the country, it was able to acquire the best location that is near all the NAIA terminals, Villamor golf course and skyway exit as well. Another strength of Resorts World Manila is its effort to provide free shuttle services to its members with 17 drop-off/pick up points. It gets a 4 in the location factor as it has the most number of drop off/pick up points among its competitors (it even reaches nearby provinces such as Laguna) and the most accessible location.

Weaknesses

One of its weaknesses is the congestion in the mall area (13,167 square meters). During weekends/peak hours, it looks very crowded and the ambiance is becoming less upscale, pleasant and posh. Catering to a wide range of social classes is a good strategy. However, it is also important to consider the space of the establishment. RW gets a rating of 2 in this weakness, as there are various plans for expansion. The layout is fine, but there are rooms for improvement. Based on observation, it seems that there are one or two stores/boutiques that seems to be out of place with the general ideal layout. One example is Red Crab, which is located in the 4th floor, since this is a high-end restaurant, it should be placed in the second floor. Another is Coffee Bean located in the 3rd floor near the clothing stores. For the Casino, the VIP area was placed in the second floor with the food establishments while the mass area was located in the first floor with the high-end boutiques. To have consistency, it is better to put the VIP Area within the same floor with the high-end stores to have organization (High end area, middle end area, low end area) and order.

Due to the increasing number of competitors in the industry with aggressive marketing strategies, there are risks for RW to be overpowered by new companies. Thus it is important for RW to participate in the competition - ensure that it has the best products/services and establish sustainability plans to maintain its position in the industry. In its latest disclosure report, the occupancy rate of its hotels is at 85%, which is high but it hasn't reached the whole capacity. The company should introduce improvements and possibly new products and services or strategies in its other businesses as well to ensure its position in the industry.

Another weakness of RW is the maintenance of its facilities. Toiletries are not refilled consistently and there are instances that the cubicles are not being cleaned in some restrooms. Another is its appearance. The façade of some of its buildings looks old and dirty. The company needs some renovation (e.g. repainting). Rating of RW is 2 as even though there are various weaknesses in terms of the maintenance of its facilities, there are plans for expansion as mentioned in the earlier part of the paper which indicates that there are new facilities to be opened and there is a good chance that renovations will take place in the older establishments.

Hotels also lack multilingual staff. Unlike Solaire and City of Dreams (except Hyatt), which have employees who can speak other languages such as Chinese, Korean and Japanese. RW attendants can only speak English and Filipino. This is a disadvantage to the company as there is a big portion of travellers/tourists that are coming from China, Korea and Japan. Having multilingual staff is an asset to any hotel as it contributes to the betterment of the company's services. It can attend to the needs and requests of foreign visitors and will prevent miscommunication with the guests. In addition, some of the employees (mostly front liners in the casino) have low product knowledge and weak customer rapport. There should be improvements in terms of the quality of employees especially those attending to customers to reflect the high-end status of the company. The rating is 2 for RW as the level of incompetency of these employees is not that worse. Regular trainings and hiring of quality managers to oversee the employees' performances can improve this weakness of RW.

Lastly, congestion in gaming area leads to limits in pricing variety. Since space in the Newport Mall can only accommodate a limited number of people due to the relatively smaller area compared to other integrated resorts, it limits the pricing variety to the real target market of the company. If there is a bulk of mass players, the rich to upper income clients might lose the space (gaming tables) where they intend to play. A rating of 2 is given to RW, as it was able to separate the high rollers from the mass players (in a way) by having two floors of gaming area. The higher minimum bets are located in the upper floor whereas the others including the lowest minimum bet are placed in the lower floor.

Financial Analysis

	2015 (Q3)	2014	2013	2012	2013 vs. 2014	2012 vs. 2013	2015 (Q3)	2014	2013	2012
ASSETS										
CURRENT ASSETS										
Cash and Cash Equivalents	13,929,083,711	17,856,400,410.00	25,775,504,641.00	16,913,702,429.00	-30.72%	52.39%	20.20%	27.95%	42.10%	35.26%
Trade and other receivables	5,945,827,627	4,278,725,616.00	3,043,280,454.00	2,414,802,453.00	40.60%	26.03%	8.62%	6.70%	4.97%	5.03%
Advances to related parties	292,884,619	159,878,381.00	160,722,254.00	188,973,468.00	-0.53%	-14.95%	0.42%	0.25%	0.26%	0.39%
Inventories	128,050,468	77,050,033.00	207,242,030.00	145,565,733.00	-62.82%	42.37%	0.19%	0.12%	0.34%	0.30%
Prepayments and other current assets	1,140,743,417	706,879,685.00	284,945,836.00	256,675,729.00	148.08%	11.01%	1.65%	1.11%	0.47%	0.54%
TOTAL CURRENT ASSETS	21,436,589,842	23,078,934,125.00	29,471,695,215.00	19,919,719,812.00	-21.69%	47.95%	31.08%	36.13%	48.14%	41.53%
NON CURRENT ASSETS										
Available for sale financial assets	61,387,270	63,160,000.00	49,880,000.00	40,570,000.00	26.62%	22.95%	0.09%	0.10%	0.08%	0.08%
Investments in associates	1,438,157,804	953,079,580.00	156,250,000.00	156,250,000.00	509.97%	0.00%	2.09%	1.49%	0.26%	0.33%
Advances for future investment	4,088,235,294	2,588,235,294.00	-	-	0.00%	0.00%	5.93%	4.05%	0.00%	0.00%
Property and equipment - net	38,528,699,763	33,700,213,214.00	29,200,648,007.00	25,808,488,191.00	15.41%	13.14%	55.87%	52.75%	47.69%	53.80%
Investment property - net	1,561,064,854	1,608,123,984.00	1,670,869,491.00	1,393,990,450.00	-3.76%	19.86%	2.26%	2.52%	2.73%	2.91%
Deferred tax assets	164,548,977	161,586,746.00	12,437,366.00	15,304,792.00	1199.20%	-18.74%	0.24%	0.25%	0.02%	0.03%
Other non current assets	1,687,104,418	1,728,139,847.00	663,955,473.00	632,458,075.00	160.28%	4.98%	2.45%	2.71%	1.08%	1.32%
TOTAL NON CURRENT ASSETS	47,529,198,380	40,802,538,665.00	31,754,040,337.00	28,047,061,508.00	28.50%	13.22%	68.92%	63.87%	51.86%	58.47%
TOTAL ASSETS	68,965,788,222	63,881,472,790.00	61,225,735,552.00	47,966,781,320.00	4.34%	27.64%	100.00%	100.00%	100.00%	100.00%
LIABILITIES AND EQUITY										
CURRENT LIABILITIES										
Interest-bearing loans and borrowings	-	-	1,603,268,951.00	2,631,814,400.00	0.00%	-39.08%	0.00%	0.00%	2.62%	5.49%
Trade and other payables	9,736,005,583	8,300,220,049.00	7,312,519,510.00	5,430,304,557.00	13.51%	34.66%	14.12%	12.99%	11.94%	11.32%
Advances from related parties	3,213,422,209	1,913,260,919.00	161,969,303.00	21,552,014.00	1081.25%	651.53%	4.66%	3.00%	0.26%	0.04%
Dividends payable	-	-	1,299,210,000.00	-	0.00%	0.00%	0.00%	0.00%	2.12%	0.00%
Income tax payable	-	5,337,998.00	5,769,875.00	8,040,450.00	-7.49%	-28.24%	0.00%	0.01%	0.01%	0.02%
TOTAL CURRENT LIABILITIES	12,949,427,792	10,218,818,966.00	10,382,737,639.00	8,091,711,421.00	-1.58%	28.11%	18.78%	16.00%	16.96%	16.87%
NON-CURRENT LIABILITIES										
Interest-bearing loans and borrowings	220,971,339	216,923,061.00	2,968,477,555.00	4,524,481,108.00	-92.69%	-34.39%	0.32%	0.34%	4.85%	9.43%
Notes payable	13,934,386,051	13,209,060,653.00	13,095,218,012.00	12,098,888,653.00	0.87%	8.23%	20.20%	20.68%	21.39%	25.22%
Derivative liability	775,567,438	869,818,108.00	1,145,961,938.00	1,246,123,668.00	-24.10%	-8.04%	1.12%	1.36%	1.87%	2.60%
Retirement benefit obligation	125,660,977	118,813,151.00	83,677,770.00	102,951,396.00	41.99%	-18.72%	0.18%	0.19%	0.14%	0.21%
Other non-current liabilities	148,022,239	146,729,480.00	121,818,390.00	665,820,307.00	20.45%	-81.70%	0.21%	0.23%	0.20%	1.39%
TOTAL NON CURRENT LIABILITIES	15,204,608,044	14,561,344,453.00	17,415,153,665.00	18,638,265,132.00	-16.39%	-6.56%	22.05%	22.79%	28.44%	38.86%
TOTAL LIABILITIES	28,154,035,836	24,780,163,419.00	27,797,891,304.00	26,729,976,553.00	-10.86%	4.00%	40.82%	38.79%	45.40%	55.73%
EQUITY										
Equity attributable to parent company										
Capital stock	10,000,000,000	10,000,000,000.00	10,000,000,000.00	10,000,000,000.00	0.00%	0.00%	14.50%	15.65%	16.33%	20.85%
Additional paid-in capital	22,417,157,066	22,417,157,066.00	22,417,157,066.00	5,821,627,500.00	0.00%	285.07%	32.50%	35.09%	36.61%	12.14%
Treasury shares, at cost	-8,324,412,515	-8,324,412,515.00	-8,324,412,515.00	-8,584,100,000.00	0.00%	-3.03%	-12.07%	-13.03%	-13.60%	-17.90%
Revaluation reserves	38,930,463	39,230,463.00	46,604,602.00	10,388,665.00	-15.82%	348.61%	0.06%	0.06%	0.08%	0.02%
Retained earnings	16,448,751,111	14,733,381,929.00	9,288,495,095.00	13,988,888,602.00	58.62%	-33.60%	23.85%	23.06%	15.17%	29.16%
Total equity attributable to shareholders of the parent company	40,580,426,125	38,865,356,943.00	33,427,844,248.00	21,236,804,767.00	16.27%	57.41%	58.84%	60.84%	54.60%	44.27%
Non-controlling interests	231,326,261	235,952,429.00	-	-						
Total Equity	40,811,752,386	39,101,309,372.00	33,427,844,248.00	21,236,804,767.00	16.97%	57.41%	59.18%	61.21%	54.60%	44.27%
TOTAL LIABILITIES AND EQUITY	68,965,788,222	63,881,472,791.00	61,225,735,552.00	47,966,781,320.00	4.34%	27.64%	100.00%	100.00%	100.00%	100.00%

RESORTS WORLD MANILA						HORIZONTAL ANALYSIS			VERTICAL ANALYSIS				
	Q3 (2015)	Q3 (2014)	2014	2013	2012	Q3 2014 vs. Q3 2015	2013 vs. 2014	2012 vs. 2013	Q3 (2015)	Q3 (2014)	2014	2013	2012
NET REVENUES													
Gaming	17,947,349,497	20,792,407,351	28,376,733,234.00	30,003,598,507.00	28,058,258,093.00	-13.68%	-5.42%	6.93%	87.82%	89.42%	89.90%	89.88%	90.29%
Non-gaming:													
Hotel, food, beverage and others	1,748,237,185	1,653,739,134	2,264,169,550.00	2,502,898,641.00	2,138,225,200.00	5.71%	-9.52%	17.04%	8.55%	7.11%	7.17%	7.50%	6.88%
Other operating income	739,884,864	807,044,520	922,373,692.00	875,560,158.00	880,710,104.00	-8.32%	5.35%	-0.58%	3.62%	3.47%	2.92%	2.62%	2.83%
Sub Total	20,435,471,546.00	23,253,191,205	31,563,276,476.00	33,381,657,306.00	31,077,193,397.00	-12.12%	-5.45%	7.42%	100.00%	100.00%	100.00%	100.00%	100.00%
Less: promotional allowance	2,486,877,059	1,561,165,300	2,502,976,854.00	2,533,628,373.00	1,687,446,005.00	59.30%	-1.21%	90.15%	12.17%	6.71%	7.93%	7.59%	5.43%
NET REVENUE	17,948,594,487.00	21,692,025,905.00	29,060,299,622.00	30,848,028,933.00	29,389,747,392.00	-17.26%	-5.80%	4.96%	87.83%	93.29%	92.07%	92.41%	94.57%
DIRECT COSTS	7,763,927,811	7,834,844,462	10,755,169,639.00	12,107,719,504	10,111,138,294.00	-0.65%	-11.17%	18.75%	37.99%	33.61%	34.07%	0.36	32.54%
GROSS PROFIT	10,184,666,676	13,877,181,443	18,305,129,983.00	18,740,309,429.00	19,278,609,098.00	-26.61%	-2.32%	-2.79%	49.84%	59.68%	58.00%	56.14%	62.03%
GENERAL AND ADMINISTRATIVE EXPENSES	6,255,989,992	8,922,023,462	11,907,758,971.00	14,123,148,656.00	11,818,861,493.00	-29.88%	-15.69%	19.50%	30.61%	38.37%	37.73%	42.31%	38.03%
OPERATING PROFIT	3,928,676,684	4,955,157,981	6,397,371,012.00	4,617,160,773.00	7,459,747,605.00	-20.72%	38.56%	-38.11%	19.22%	21.31%	20.27%	13.83%	24.00%
OTHER INCOME (CHARGES)													
Finance costs	-1,143,969,265	-1,056,724,751	-1,026,706,225.00	-2,036,794,564.00	-1,430,118,362.00	8.26%	-49.59%	42.42%	-5.60%	-4.54%	-3.25%	-6.10%	-4.60%
Finance income	94,184,118	146,357,097	190,144,735.00	225,815,470.00	772,741,044.00	-35.65%	-15.80%	-70.78%	0.46%	0.63%	0.60%	0.68%	2.48%
Share in net loss of an associate	-	-	40,168,131.00	0	-				0.00%	0.00%	-	-	-2.12%
			876,729,621.00	-1,810,979,094.00	-				0.00%	0.00%	-2.78%	-5.43%	0.00%
PROFIT BEFORE TAX	2,878,891,537	4,044,790,327	5,520,641,391.00	2,806,181,679.00	6,022,370,287.00	-28.82%	96.73%	-58.75%	14.09%	17.39%	17.49%	8.41%	21.89%
TAX EXPENSE	49,147,498	31,580,975	75,568,162.00	66,665,186.00	68,154,087.00	55.62%	13.35%	-2.18%	0.24%	0.14%	0.24%	0.20%	0.22%
NET PROFIT FOR THE YEAR	2,829,744,039	4,013,209,352	5,445,073,229.00	2,739,516,493.00	6,734,216,200.00	-29.49%	98.76%	-59.32%	13.85%	17.26%	17.25%	8.21%	21.67%
OTHER COMPREHENSIVE INCOME (LOSS)	-300,000												
Item that will not be reclassified subsequently to profit or loss													
Actual gain (loss) on remeasurement of retirement benefit obligation	-	-	5,687,010.00	49,336,099.00	-				0.00%	0.00%	-0.02%	0.15%	0.00%
Tax income (expense)	-	-	1,532,871.00	-13,362,162.00	-				0.00%	0.00%	0.00%	-0.04%	0.00%
	-	-	4,154,139.00	35,973,937.00	-				0.00%	0.00%	-0.01%	0.11%	0.00%
Item that will be reclassified subsequently to profit or loss									0.00%	0.00%	0.00%	0.00%	0.00%
Net unrealized fair value gains (losses) on available-for-sale financial assets	-	-	3,220,000.00	242,000.00	12,390,000.00			-98.05%	0.00%	0.00%	-0.01%	0.00%	0.04%
		-	7,374,139.00	36,215,937.00	12,390,000.00				0.00%	0.00%	-0.02%	0.11%	0.04%
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	2,829,444,039	4,013,209,352	5,437,699,090.00	2,775,732,430.00	6,746,606,200.00	-26.20%	95.90%	-58.86%	13.85%	17.26%	17.23%	8.32%	21.71%

Horizontal and Vertical Analysis

Horizontal Analysis

Income Statement

From 2012 to Q3 of 2015, there is a decrease in total revenues, which is apparent in the gaming and other income portion of the financial statement. This may be due to the reduction in tournament to focus on the Mass and VIP market (local and international). With that, it seems that the company is also minimizing its costs, cutting on the General and Administrative expenses. Due to its payment of interest bearing notes, finance costs also showed a huge movement. But, the company is still able to manage and maintain a sound financial condition despite the decrease in its sales.

Balance Sheet

The most interesting movement in the company's Balance Sheet is the huge payment of deferred liabilities and assets taxes and a material increase in advances to related parties, which is probably due to property expansion (extension of Marriott Hotel; construction of Sheraton Hotel and Hilton Hotel).

General:

Other components remain in a stable level and there are not much drastic change on a year on year basis.

Vertical Analysis

Income Statement

Bulk of the company's revenues comes from the gaming activities, which is around 90%. One would think that non-gaming activities are inefficient investments as it has high capital requirement but very low contribution to the company's sales. However, part of the company's pull is that it is an integrated resort, which should contain multiple products and services. Gaming revenues would not be as high if these non-gaming offerings are not present.

The changes in the components of the Income Statement of Resorts World Manila in proportion to its Revenues have been consistent throughout the years. There is not much change and the ratio of change from one component is accompanied with a change in another related entry.

Balance Sheet

It is apparent in the financial statement of RW that most of its assets are assigned to future investment, which comprise around 55%. This is because the company is still in the process of expansion. Whilst 20% is allocated to cash as gambling is a high cash flow industry in general, so the company is required to be very liquid. The most significant source of income would be equities as compared to liabilities. The negative side of this is that it may lead to opportunity cost and low return on equity. The only major movement in the Balance Sheet is on the non-current assets specifically in the Property, Plant and Equipment portion, which is possibly due to various expansions in the non-gaming business (Hotels). Other components remained stable, which reflects no material change.

Financial Ratios

		Q3 2015	2014	2013	2012
Liquidity Ratios					
Current	CA/CL	1.6554	2.2585	2.8385	2.4617
Quick	CA-Inventory/CL	1.6455	2.2509	2.8186	2.4438
Leverage Ratios					
Debt-to-Total-Assets Ratio	Total Debt/Total Assets	0.4082	0.3879	0.4540	0.5573
Debt-to-Equity Ratio	Total Debt/Total Stockholder's Equity	0.6899	0.6337	0.8316	1.2587
Long-Term Debt-to-Equity Ratio	Long-Term Debt/Total Stockholder's Equity	0.3726	0.3724	0.5210	0.8776
Times-Interest-Earned Ratio	Profits before interest and taxes/Total interest charges				
Activity Ratios					
Inventory Turnover	Sales/Inventory of finished goods	159.5892	409.6465	161.0757	213.4925
Fixed Assets Turnover	Sales/Fixed Assets	0.4300	0.7736	1.0513	1.1080
Total Assets Turnover	Sales/Total Assets	0.2963	0.4941	0.5452	0.6479
Profitability Ratios					
Gross Profit Margin	(Sales-COGS)/Sales	0.5674	0.6299	0.6075	0.6560
Operating Profit Margin	Earnings before interest and taxes (EBIT)/Sales				
Net Profit Margin	Net Income/Sales	0.1576	0.1871	0.0900	0.2296
Return on Total Assets (ROA)	Net Income/Total Assets	0.0410	0.0852	0.0447	0.1404
Return on Stockholder's Equity (ROE)	Net Income/Total Stockholder's Equity	0.0693	0.1393	0.0820	0.3171
Growth Ratios					
Sales	Annual Percentage growth in total sales	-13.79%	-5.76%	6.90%	
Net Income	Annual percentage growth in profits	-141.84%	51.05%	-243.06%	
Working Capital					
	Current Assets-Current Liabilities	8,487,162,050.00	12,860,115,159.00	19,088,957,576.00	11,828,008,391.00

Analysis:

Liquidity Ratios:

The determinant of the company's liquidity (ability to meet short term obligations) looks good. Both current ratio and quick ratio are high from 2012 to 2014. Even until Q3 of 2015, RW was able to maintain a good level. This is due to the controls (various monitoring of financial standing) implemented by the company. This means that anytime RW can pay its current debts by using its most liquid assets.

		Q3 2015	2014	2013	2012
Liquidity Ratios					
Current	CA/CL	1.6554	2.2585	2.8385	2.4617
Quick	CA-Inventory/CL	1.6455	2.2509	2.8186	2.4438

Leverage Ratios:

Based on the results of the financial computations of RW, it seems that the company is more reliant on stockholder's equity in financing its business rather than on debts.

On the early part of its operations, it even reached a 1.26 level but started to stabilize and settle on a 0.6 to 0.8 range, which is near the ideal. Being a listed company in the PSE, it is understandable that most of its resources will be coming from the shareholders. The levels seem to be manageable and the managements of financials are running smoothly for RW.

Leverage Ratios		Q3 2015	2014	2013	2012
Debt-to-Total-Assets Ratio	Total Debt/Total Assets	0.4082	0.3879	0.4540	0.5573
Debt-to-Equity Ratio	Total Debt/Total Stockholders' Equity	0.6899	0.6337	0.8316	1.2587
Long-Term Debt-to-Equity Ratio	Long-Term Debt/Total Stockholders' Equity	0.3726	0.3724	0.5210	0.8776

Activity Ratios:

The activity ratio is high specifically in the Inventory turn over portion, which means that sales is relatively strong from 2012 to Q3 of 2015. The highest was in 2014 (driven by very low amount of total inventories) and it decreased by 250.05 in Q3 of 2015 with increasing amount of inventory and lower level of sales. Low levels in the fixed asset portion and total assets as the chunk of it consists of the huge PPE amount from expansion of the company's hotels (Marriott Hotel, Sheraton Hotel (2017), Hilton Hotel (2017)).

Activity Ratios		Q3 2015	2014	2013	2012
Inventory Turnover	Sales/Inventory of finished goods	159.5892	409.6465	161.0757	213.4925
Fixed Assets Turnover	Sales/Fixed Assets	0.4300	0.7736	1.0513	1.1080
Total Assets Turnover	Sales/Total Assets	0.2963	0.4941	0.5452	0.6479

Profitability Ratios:

The company is still maintaining a good level of profitability, but come Q3 of 2015, it is starting to decline. As seen in its financial statement, it is in a sound financial condition. All aspects are controlled and secured. However, it is suggested that RW develop various strategies in order to increase its profitability level and get back its market share especially in the gaming and non-gaming sectors.

Profitability Ratios		Q3 2015	2014	2013	2012
Gross Profit Margin	(Sales-COGS)/Sales	0.5674	0.6299	0.6075	0.6560
Net Profit Margin	Net Income/Sales	0.1576	0.1871	0.0900	0.2296
Return on Total Assets (ROA)	Net Income/Total Assets	0.0410	0.0852	0.0447	0.1404
Return on Stockholder's Equity (ROE)	Net Income/Total Stockholder's Equity	0.0693	0.1393	0.0820	0.3171

Growth Ratios:

Sales declined from 2014 to Q3 of 2015 (in comparison with Q3 of 2014). This means that the company should formulate strategies in order to make up for the decline in its sales. Net income increased in 2013-2014 mainly due to lower general administrative expenses and lower finance costs and not due to increase in revenues. Come Q3 of 2015 both Sales and Net Income decreased by a huge percentage. Some of the major contributors are the huge decrease in net revenues (around Php 3bn) increase in promotional allowance (Php 926 mm).

Growth Ratios		Q3 2015	2014	2013	2012
Sales	Annual Percentage growth in total sales	-13.79%	-5.76%	6.90%	-
Net Income	Annual percentage growth in profits	-141.84%	51.05%	-243.06%	-

VI. STRATEGY FORMULATION

SWOT Analysis

SO Strategies	
1	Build its own travel and tours division. This is to increase customer service by creating its own packages which can be inclusive in the hotel accommodation of the guests. In addition there will be a higher probable income. But, it should continue its partnership with various travel and tours companies to include RW in its itineraries. S2O2
2	Create branches outside of Manila (other developing cities like Cebu) S2O1
ST Strategies	
1	Cut partnership with online businesses that offer hotel/restaurant accommodation discounts to limit target market to rich and the upper income individuals (e.g. cashcashpinoy.com, metrodeal.com, dealgrocer.com etc.) S2T13
2	Invest in "social gaming as a marketing tool" where the actual games in the casino can be played using social media websites (e.g. facebook) S2T8
3	Build a mini amusement park inside newport mall. S3T10
WO Strategies	
1	Re-arrange the stores and restaurants in Newport Mall (from the most expensive to the least expensive). W9O7
2	Hire multilingual staff to accommodate foreign guests in its Hotels (Chinese speaking, Korean speaking, Japanese speaking) W7O2
3	Expand Newport Mall making the casino space wider. W9O6
4	Hire "highly trained" front line employees that will contribute to the growth of the company and to focus on the upscale market. W9O4
WT Strategies	
1	Lessen shuttle services (drop off and pick up points). Limit only to near upscale areas. W9T13
2	Maintain up-to-date technologies within the casino and hotel business W7T8

S-O Strategies

1) Build its own travel and tours division. This is to increase customer service by creating its own packages, which can be inclusive in the hotel accommodation of the guests. In addition there will be a higher probable income. But, it should continue its partnership with various travel and tours companies to include RW in its itineraries. S2O2

Using its strengths and available opportunities, RW can create its own travel and tours division within the company. This is to add more services available to its customers. It can also include packages including other attractions in the Newport Mall. It will lessen the costs of the company in the future as well as provide all the needs of the clients. In addition, lesser commissions are to be paid to the partner travel and tours company.

2) Create branches outside of Manila (other developing cities like Cebu). S201

In order to capture not only international tourists but locals as well, RW can build branches in other main cities of the country (other regions like Cebu). It was cited as the *"Tourism Gateway for Central and Southern Philippines"* (source:<http://www.megaworldatthefort.com/blog/5-reasons-cebus-economy-is-growing-so-rapidly/>) and is consistently growing at roughly 7% annually from 2010 (Source: <http://www.philstar.com/business/2014/05/21/1325390/cebu-booming>). In addition some of the main economic drivers include tourism, which raises the demand for resorts and hotels in the city.

This can be a great opportunity for Resorts World Manila as it can expand its market not only in the National Capital Region but in provinces as well. It can overtake some of the five star hotels such as Crimson Resort and Spa Mactan, Plantation Bay Resort and Spa and Shangri-La's Mactan Resort and Spa.

The company can widen its coverage and build more networks and connections by branching out and exploring opportunities outside of Manila.

S-T Strategies

1) Cut partnership with online businesses that offer hotel/restaurant accommodation discounts to limit target market to rich and the upper income individuals (e.g. cashcashpinoy.com, metrodeal.com, dealgrocer.com etc.)

S2T13

One of the most popular methods of shopping in the country nowadays is the online buying process. There are group buying sites such as cashcashpinoy.com, dealgrocer.com and metrodeal.com that offer vouchers for discount offerings (lesser than the original price) on food & beverages, accessories, clothes and bags, travel packages and hotel accommodations which can be purchased online. For some companies this is a strategy to market its products and services since these websites has thousands of visitors a day, which can reach to millions per month.

This is another way of developing the marketing strategies for a company and improving its revenue generation. However, since the company opts to focus on the rich and upper middle income individuals, it is better to cut any partnership with companies that offer discounts as this will provide opportunities for people from lower social status to purchase vouchers at lower amounts. Thus, in a way this means expanding the market to middle income individuals and below.

2) Invest in “social gaming” activities where the actual games in the casino can be played online using social media websites (e.g. Facebook). S2T8

Majority of the people worldwide (from any social class) are up-to-date with the latest online trends. With the easier and cheaper access to the internet, it is close to impossible not to get updates on the developments happening online. Most people

already have a “Facebook” account where they can socialize and get updates on families and friends. With that, it will be easier to set up an online “social gaming” application.

The purpose of this is not to tap all social classes who are into Facebook or other social media sites but to reach the high-class clients living in urban-rural fringes. Since Resorts World has only one branch in the country located in NCR, some people may not be aware or may not be interested in travelling that far to experience the activities and attractions offered by the company. The “social gaming” plan which can be created in social media sites will provide the experience online to the target market which will aim to provide satisfaction and entice the people to visit the real gaming area and have an actual live experience.

3) Build a mini amusement park inside the Newport mall. S3T10

Since Resorts World is a family oriented institution, it aims to provide activities not only to the working population, but to all members of the family. With that, it can build a “Mini Theme Park” (one portion) inside the Newport mall. This will provide activities to the children who are accompanied by their parents to Resorts World.

Adopting the idea of City of Dreams’ Dreamplay and Resorts World Genting’s indoor theme park, Resorts World Manila can construct an indoor amusement park inside the Newport Mall. A portion of the mall will be emptied (transfer some stores and restaurants in the Hotels – Marriott, Maxims, Sheraton, Hilton; expand the mall – adding more floors; close GameZoo). Similar to Dreamplay, a portion will be reconstructed and will be transformed into a mini amusement park. Resorts World

can partner with a popular company similar to Dreamworks (e.g. Disney) with a lot of well-known characters to be able to capture a huge market.

W-O Strategies

1) Re-arrange the stores and restaurants in Newport Mall (from the most expensive to the least expensive). W907

It can be noticed that inside the Newport Mall, there is a mix of luxurious and affordable brands both in the clothing and food sectors. Since RW focuses on the high-end clients, it can separate the luxurious brands in one or two floors and the affordable brands in the remaining floors to provide exclusivity for the upper class clients. This will also tend to limit the entry of the lower class customers in the high-end section since there are no affordable brands to choose from.

2) Hire multilingual staff to accommodate foreign guests in its Hotels (Chinese speaking, Korean speaking and Japanese speaking). W702

Based on the Philippine Traveler's receipts data (presented in the introduction part of the paper), majority of foreign tourists are coming from neighboring Asian countries such as China, Korea and Japan. To be able to provide better services, it is good to have multilingual staff that can accommodate and assists the foreign guests.

3) Expand Newport mall making the casino space wider. W906

Due to the limited space of the casino area in Newport Mall, there will be limited pricing variety as well. During peak days/hours, the gaming area sometimes reach the number of people it can accommodate thus making the place a bit crowded and lesser available tables and space for the premium clients. It will be a good strategy

to expand the space of the gaming area and lessen the stores and restaurants around it to provide more space to its customers who are eager to play.

4) Hire “highly trained” front line employees that will contribute to the growth of the company and focus on the upscale market. W9O4

The quality of the employees in the establishment has been noticeably degrading. The rating has been low in terms of product knowledge and customer assistance. Since its focus is to target high-end clients, one of the most important factors is to have highly trained front line employees that can cater to the needs of this type of customers. Thus, there is a need to hire “premium” employees to ensure that the services are in an excellent level.

It was mentioned in the article “The rise of the Philippine casino industry” [Mendoza & Richardson, 2015] that the Philippines can take advantage of the decline in Macau’s gambling businesses to alleviate corruption and resolve government issues. With that most foreign clients will transfer to a nearby Asian country with a growing gambling industry business (e.g. Philippines, Singapore). Thus, it will entail more opportunities to increase its revenues in all sectors of the business (Gambling, Non-gambling and other income).

W-T Strategies

1) Lessen shuttle services (drop off and pick up points). Limit only to upscale areas. W9T13

The number of drop off and pick-up points is one of the strengths of RW. However, due to the location and availability of the shuttle services, it is easier for everyone to go to RW. To be able to focus on upscale services and cater only to the rich and

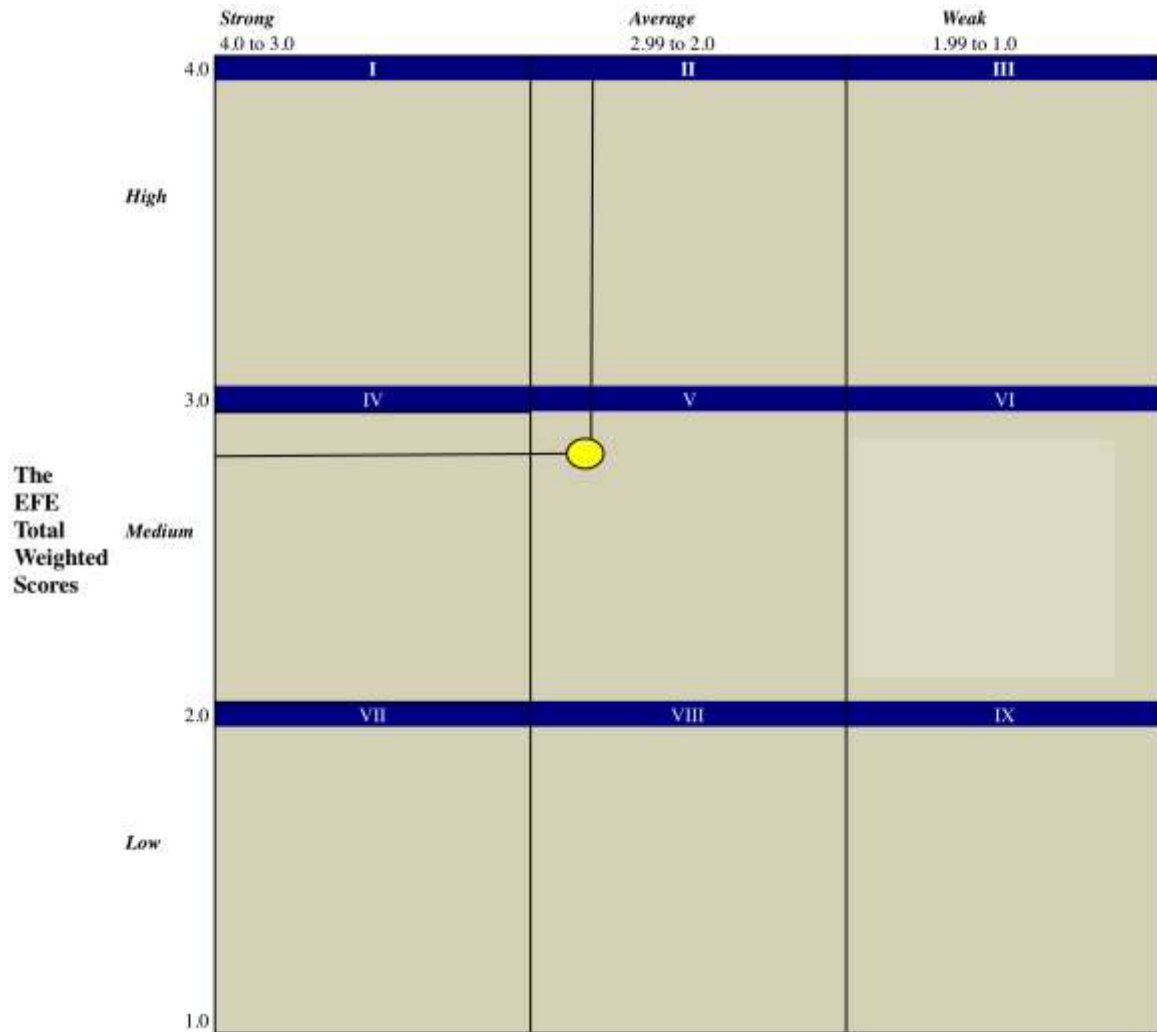
upper income clients, it will be better to limit the drop off and pick up points only to certain areas (high-end and upscale). This is to prevent congestion as well in the area and tap only the high-end clients.

2) Maintain up-to-date technologies within the casino and hotel business.

W7T8

The integrated resorts is a fast pace industry. It needs to be updated with the latest technology and innovation. This not only applies to its actual business operation (i.e. gaming technology) but to innovations in general (e.g. mobile apps as marketing tools). In addition, it needs to consistently cope with international updates and developments.

IE Matrix



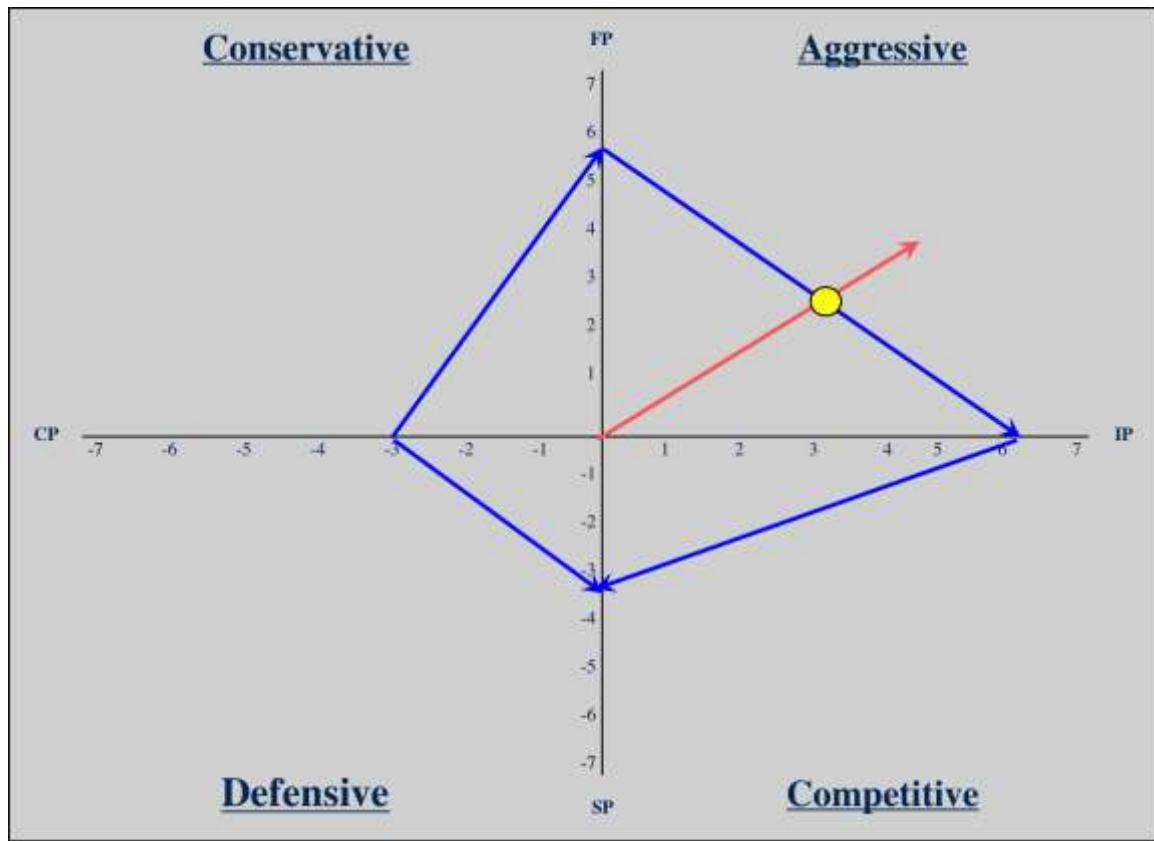
The result of the IE matrix led Resorts World to Quadrant V, which suggests a market penetration or a product development strategy. It can do both depending on which strategy will better fit the needs of the company. It already has aggressive marketing strategies and has a wide network as well. However, its competitors, Solaire and City of Dream, are slowly eating its market share. Thus, it can pursue a market penetration strategy. On the other hand, in terms of products, the company can still explore, as there are a lot of potential for growth and development.

The casino business is doing well, with the segregation of the VIP and mass market, however, due to the limited space, at times there are congestion in the area, which leads to limits in pricing variety.

In the non-gaming sector and in general, there are several rooms for improvement. Resorts World, unlike Solaire has widened its market. However, to focus on high-end status, it should limit its products and services to cater to the rich and upper income only. This is apparent in its products and services (e.g. different hotels catering to different types of market, different pricing in the different floors of the casino). Similarly, each floor of the mall is categorized with a different product and market. However, due to lack of space and possibly entrance timing of the lessee, there are stores/restaurants that are out of designated category. The company can extend the mall or restructure the layout to arrange it. In the hotel side, one of the weaknesses of RW is its lack of multilingual staff. To extend its services especially to foreign customers, it can hire employees that can communicate in different languages to attend to the needs/demands and have easier communication with the guests.

For the attractions, aside from the GameZoo, which consists of normal arcade games, RW can partner with an international company (e.g. Disney) similar to City of Dreams and build a new and more marketable activities area (e.g. Dreamplay). It can also capture ideas from RW Genting where it has an indoor theme park and snow world.

Strategic Position and Action Evaluation (SPACE) Matrix



Internal Analysis:		External Analysis:	
Financial Position (FP)		Stability Position (SP)	
Return on Equity (ROE)	6	Economic Factors (Interest Rate, Inflation Rates)	-3
Leverage	5	Client Demands	-2
Liquidity	7	Pressure from competition	-5
Working Capital	6	Price range of products from competitors	-4
Return on Asset (ROA)	6	Barriers to entry in the market	-3
Net Income	5	Price elasticity of demand	-2
		Risk involved in business	-3
Financial Position (FP) Average	5.8	Stability Position (SP) Average	-3.1

Internal Analysis:		External Analysis:	
Competitive Position (CP)		Industry Position (IP)	
Market Share	-3	Growth Potential	6
Product/Service Variety	-2	Profit Potential	6
Brand Image	-3	Financial Stability	6
Customer Loyalty	-2	Resource Utilization	6
Customer Service	-3	Productivity	7
Product Development	-5		
Technological Advancement	-3		
Control over suppliers and distributors	-3		
Competitive Position (CP) Average	-3.0	Industry Position (IP) Average	6.2

Financial Position (Internal Analysis)

For the financial position, the below factors are necessary to determine the strategies appropriate for Resorts World Manila.

For the return on equity, the rating will be 6 (there is an improvement from 2013 to 2014) as it is able to maximize its stockholder's equity in generating revenues. For the leverage, it is given a 5 as the company is able to manage and balance company's debts with its assets and stockholder's equity however, it decreases from 2013 to 2014. On the liquidity side, with strict control and monitoring, the level of liquidity is always high for RW. Thus giving it a rating of 7. It ensures that it can stay liquid at all times. For the working capital the company gets a rating of 6 as the amount of current assets is high enough to cover for the current liabilities. Though it is a bit high which might indicate that there are idle resources not being maximized for business operation. However, it is noticeably decreasing through the years from 2012 to Q3 of 2015. Return on Asset will be given a rating of 6, as it is able to maintain a satisfactory level of ROA (maximizing its resources). Lastly for the net income, the company is earning a satisfactory amount of net income (still highest among its competitors) but seems to be declining (analysis until Q3 of 2015). Also, as mentioned in the BCG matrix, portions of the company's market share are slowly being taken over by the competitors.

For the **competitive position (Internal Analysis)**, refer to the below analysis.

Market share is given a rating of -3 as RW still has the majority share in the market in all sectors but the trend from 2012 to 2014 is quite alarming, as slowly Solaire and City of Dreams are having an increasing portion of market share in the industry.

Being a one-stop shop, it has the most products/services compared to its competitors in the industry. Thus a rating of -2 is given. For the brand image, initially it has the upscale and high-end image that can cater to a wide range of customers but due to its limited space (Newport Mall), it is starting to look crowded and the good ambiance is starting to deteriorate. There are some rooms for improvement in terms of the segregation on the products/services available to different social classes as well. For the customer loyalty, the company is able to maintain its clients due to its various promotions and perks given to cardholders. However, there are risks now for the customers to switch due to enticing offerings from competitors. It will then be given a rating of -2. Customer service remains on the above average level. However, it is given a -3 as if it is compared to Solaire and City of Dreams, the other two should be given a higher rating due to better services and assistance provided to customers. Product development will be given a -5 as there is not development in products for RW. For the technological innovation, it is given a -3 as it is updated with technological improvements (website consistently updated, RW mobile companion). However, it can still be developed and additional features can be added to promote its products and services and provide better assistance to clients. In terms of its control over suppliers and distributors, RW will be given a -3 as it is in a moderate level. Suppliers in a gambling business are required to follow the requirements set by PAGCOR and RW can only purchase from suppliers that are approved by the governing body.

For the **stability position (External Analysis)**, RW will be given a rating of -3 in Economic Factors, as it has effect on various indicators that may lead to economic

growth or downturns. One example would be its impact on tourism, which may contribute to the increase/decrease in interest rate for example. Due to its high revenue and potential businesses ventures that can be offered to investors it is a valuable industry in the country. Client demands will be given a rating of -2 as RW has the ability to meet the demands of the clients in any of its sector. Though there is still room for improvements such as hiring of multilingual staff to assist the guests in the hotel business and training the staff to be more accommodating. In terms of the pressure from competition, RW gets a rating of -5, as there is currently a tight competition among the three companies (Resorts World Manila, Solaire and City of Dreams). Solaire and City of Dreams has been aggressive in its marketing strategies and its approach has been effective so far. More and more consumers are being interested, curious and satisfied with the products and service offered by the other two companies. In terms of pricing, in the casino sector, the amounts are very close (little differences). For the non-gaming and other income sector, various factors such as value for money and affordability are being considered. With that, in some aspects RW is superior among the three (e.g. shopping), however, there are more sectors, which the competitors overpower RW in terms of pricing (e.g. hotel, food services). For the barriers to entry, RW will be given a rating of -3. Though, there are a lot of requirements from PAGCOR to open a business in the Philippines that involve gambling such as the high capital requirement, the good economic standing of the country and the booming industry will not hinder businessmen worldwide to set up a branch in the Philippines. Actually, two new players are coming in - Manila Bayshore and Manila Bay Resorts. For the price elasticity of demand, RW gets a

rating of -2 as when there are changes in prices (increase/decrease) of the products/services within the company the quantity demanded is not much affected. Based on the financial report of RW (2014), the company is exposed to various risks involved in doing an Integrated Resort business such as natural or other catastrophes, money laundering and cheating in the gaming areas, supply of raw materials, competition, political instability, regulatory changes. The company recognizes the mentioned risks and ensures that the operations of the business are secured. These risks are unavoidable. The company got a rating of -3 as the business is doing well despite the risks associated with it. However, there are risks that require attention and strategic action. One is competition where in the industry where RW is in, it is becoming stronger. As such, RW needs to cope and develop strategic plans to maintain its market share in the industry.

For the **industry position (External Analysis)**, there is very high growth and profit potential for RW. The industry is continuously growing and developing. Therefore giving growth and profit potential a rating of 6. Its expansion of Marriott Hotel and development of Sheraton and Hilton Hotel will open new opportunities for the company. It also has sound financial condition, which can aid it in developing new strategies. There is good management of its finances and most its ratios are on an ideal/manageable level. Thus, giving financial stability a rating of 6. However, it should also touch on other sectors of the business such as the gaming and other income sectors. Most of its resources are being maximized but there can still be allocations for development of current/new strategies. RW capturing a large market (rich to upper middle class) and being a one-stop shop offering different

products/services to consumers has been the most productive in its industry. It was able to utilize its capacity in terms of people, location, area, market, products and services to offer etc. Thus, giving it a rating of 7.

Conclusion:

For the SPACE Matrix, RW fall in the aggressive quadrant, with the following suggested strategies: Backward, Forward, Horizontal Integration, Market Penetration, Market Development, Product Development and Diversification (related/unrelated).

BCG Matrix

<i>Star</i>	<i>Question Mark</i>
Gaming (CASINO) Non Gaming (Hotel, food, beverage and others) Other Income (Newport Performing Arts Theater, rental income - mall and commercial office space rentals, income from cinema, laundry, spa and others)	
<i>Cash Cow</i>	<i>Dog</i>

All the businesses – gaming, non-gaming and other income of Resorts World Manila belong to the Star quadrant with high industry sales growth rate and high relative market share position.

Industry Sales Growth

CITY OF DREAMS	2014 to 2015 (Q1 to Q3)	2013 to 2014	2012 to 2013
GAMING	20.09%	24.26%	47.79%
NON-GAMING	57.03%	3.03%	52.93%
OTHER OPERATING INCOME	39.77%	15.07%	12.09%

As shown in the above table, there is a continuous increase in the industry growth for the businesses of integrated resorts most especially in the non-gaming sector.

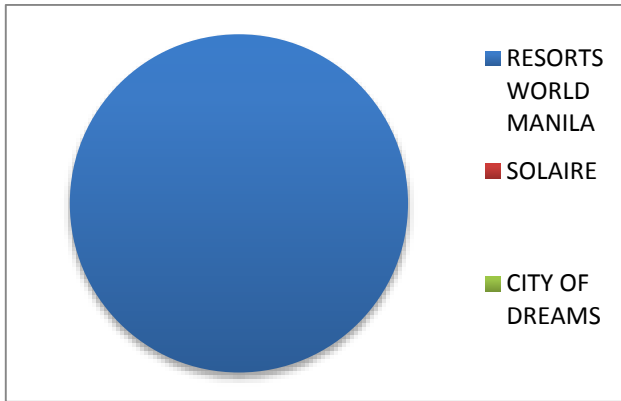
Relative Market Share

Gaming:

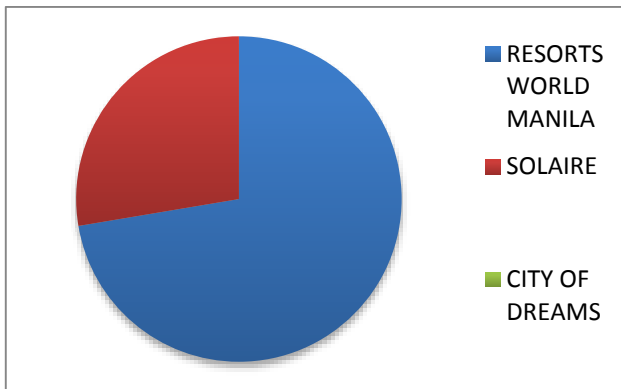
As seen on the below table and charts, RW has the whole part of the market share in 2012, in 2013, Solaire got the 27.65% leaving RW with 72.35%. Come 2014, Solaire increased its portion to 44.34% with the entry of City of Dreams with 0.58% leaving RW with 55.07% (almost half).

NET REVENUES						
GAMING	2014	Market Share (in %)	2013	Market Share (in %)	2012	Market Share (in %)
RESORTS WORLD MANILA	28,376,733,234.00	55.07%	30,003,598,507.00	72.35%	28,058,258,093.00	100.00%
SOLAIRE	22,848,967,718.00	44.34%	11,464,047,689.00	27.65%	0	0.00%
CITY OF DREAMS	299,991,000.00	0.58%	0	0.00%	0	0.00%
TOTAL	51,525,691,952.00	100.00%	41,467,646,196.00	100.00%	28,058,258,093.00	100.00%

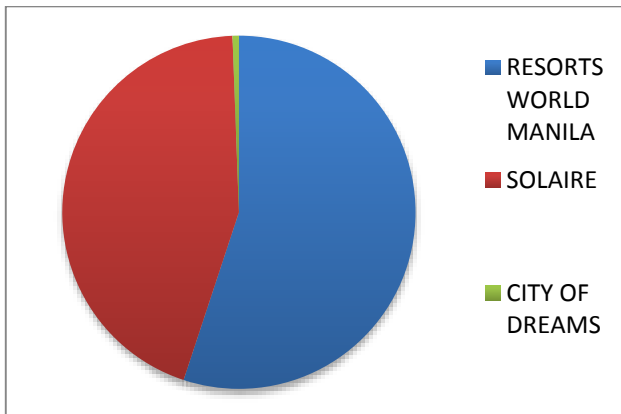
2012



2013

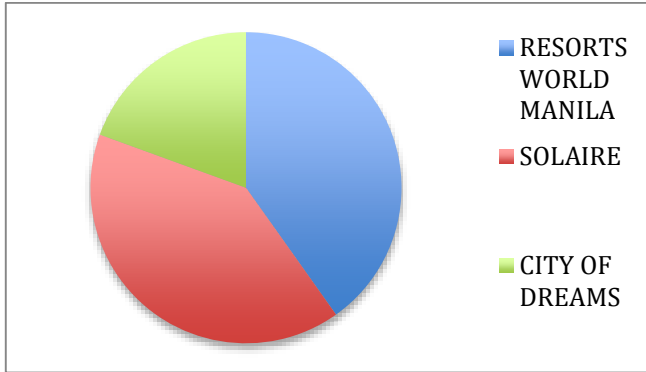


2014



GAMING	2015 (Q1 to Q3)	Market Share (in %)
RESORTS WORLD MANILA	17,947,349,497.00	40.17%
SOLAIRE	18,040,385,127.00	40.38%
CITY OF DREAMS	8,686,253,000.00	19.44%
TOTAL	44,673,987,624.00	100.00%

2015

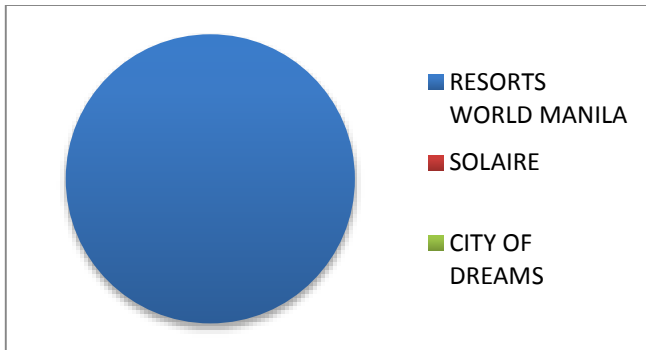


Non-gaming:

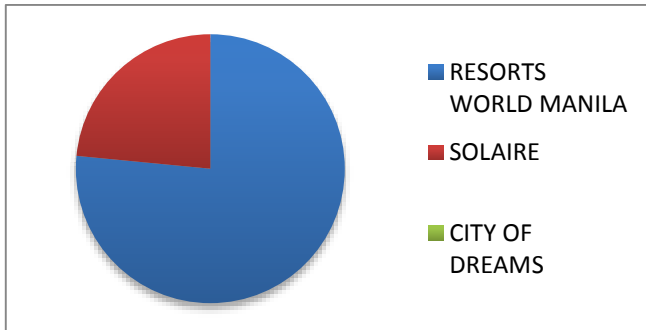
Similar with the gaming sector, Solaire and City of Dreams has been successful in increasing its market share lowering that of Resort World's.

NET REVENUES						
NON-GAMING						
Hotel, food, beverage and others	2014	Market Share (in %)	2013	Market Share (in %)	2012	Market Share (in %)
RESORTS WORLD MANILA	2,264,169,550.00	67.20%	2,502,498,641.00	76.53%	2,138,225,200.00	100.00%
SOLAIRE	1,071,429,103.00	31.80%	767,593,410.00	23.47%	0	0.00%
CITY OF DREAMS	33,471,000.00	0.99%	0	0.00%	0	0.00%
TOTAL	3,369,069,653.00	100.00%	3,270,092,051.00	100.00%	2,138,225,200.00	100.00%

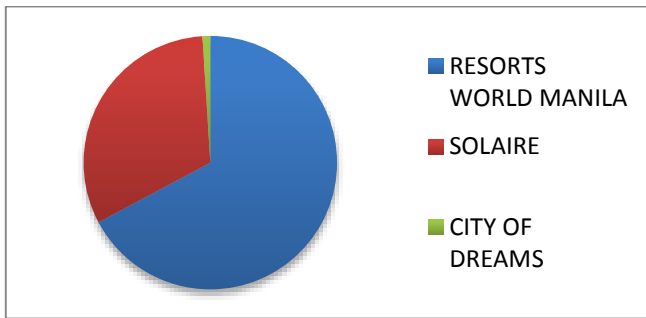
2012



2013

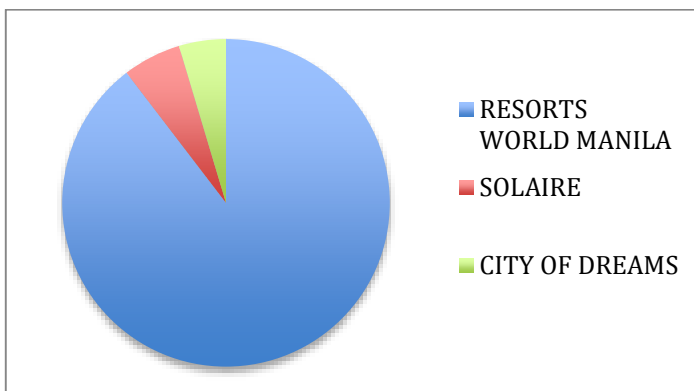


2014



Non-gaming: Hotel, food, beverage and others	2015 (Q1 to Q3)	Market Share (in %)
RESORTS WORLD MANILA	17,947,349,497.00	40.17%
SOLAIRE	1,150,728,525.00	5.75%
CITY OF DREAMS	929,299,000.00	4.64%
TOTAL	20,027,377,022.00	50.56%

2015

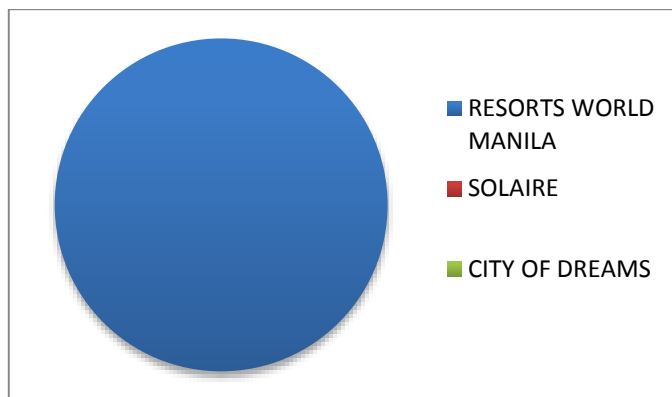


Other Income:

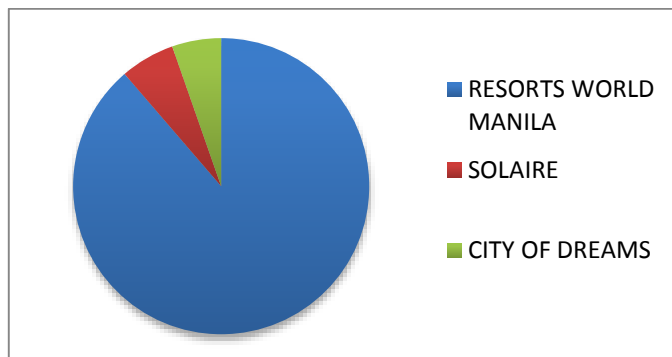
Due to more services/products, Resort World Manila is most successful in maintaining its large share in the other income sector, which includes the following: rent in Newport Mall, Theatre, Movie House and others.

NET REVENUES						
OTHER OPERATING INCOME	2014	Market Share (in %)	2013	Market Share (in %)	2012	Market Share (in %)
RESORTS WORLD MANILA	922,373,692.00	81.20%	875,560,158.00	88.69%	880,710,104.00	100.00%
SOLAIRE	116,863,775.00	10.29%	58,694,637.00	5.95%	0	0.00%
CITY OF DREAMS	96,756,000.00	8.52%	52,952,000.00	5.36%	0	0.00%
TOTAL	1,135,993,467.00	100.00%	987,206,795.00	100.00%	880,710,104.00	100.00%

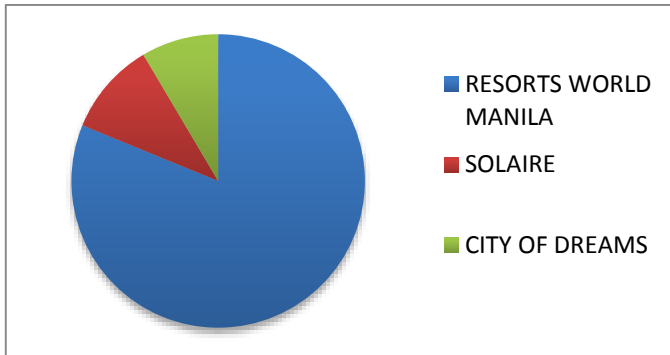
2012



2013

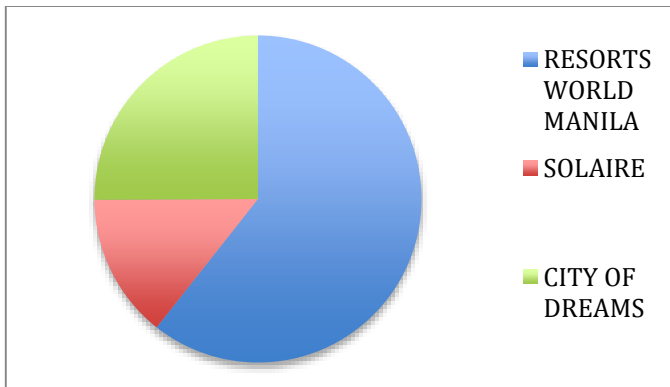


2014



Other operating income	2015 (Q1 to Q3)	Market Share (in %)
RESORTS WORLD MANILA	739,884,864.00	60.64%
SOLAIRE	174,277,039.00	14.28%
CITY OF DREAMS	305,950,000.00	25.08%
TOTAL	1,220,111,903.00	100.00%

2015



Conclusion:

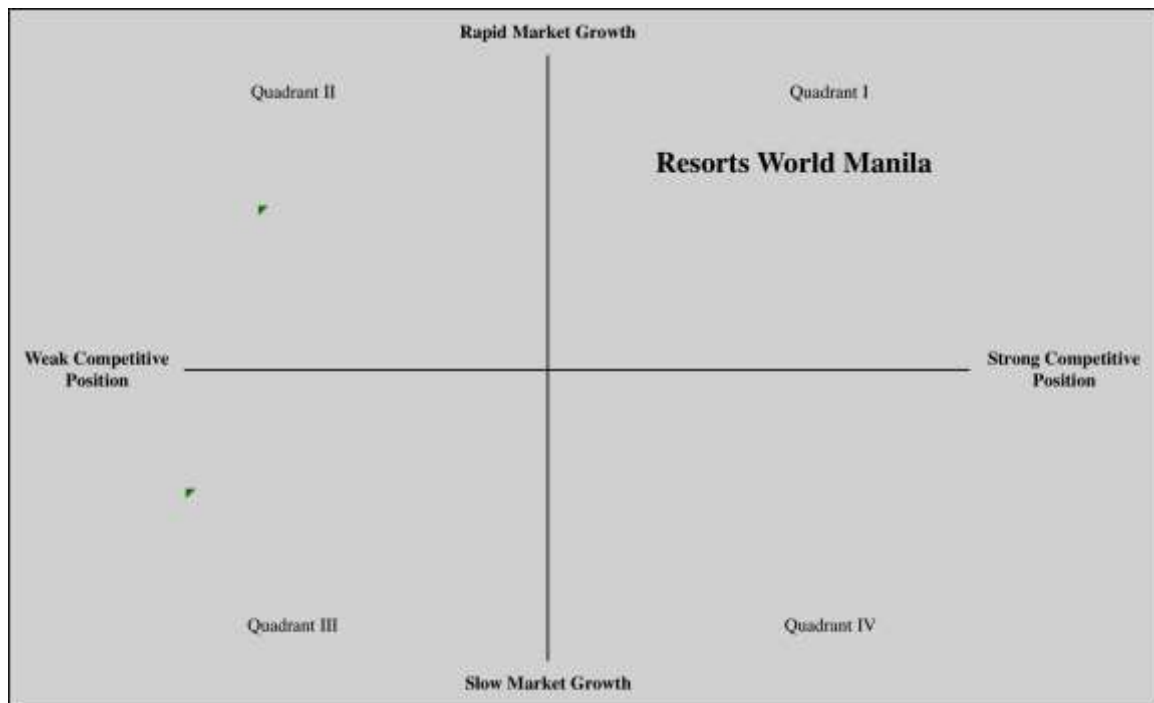
For this matrix, it is suggested that Resorts World Manila choose from the below strategies:

Market Penetration, Market Development, Product Development and Forward, Backward and Horizontal Integration.

Based on its current position, it is better to choose either from Market Development Market Penetration or Product Development.

Forward, Backward and Horizontal integration might be useful strategies for the company but not for its current state. It should focus on developing its current products and services and gaining back its market share rather than exploring opportunities in the different types of integration.

Grand Matrix



Analysis:

For the grand matrix, Resorts World Manila will fall under Quadrant I with rapid market growth and strong competitive position.

In the rapid market growth sector, gambling business has a huge opportunity in the Philippines due to its advantages in the decline of China's casino businesses and declining economy. From the Market Insight Report of Pinnacle Real Estate Consulting Services Inc. the forecast for the hotel industry is positive in the next five

years. It is booming compared to other Southeast Asian countries. This is supported by the increasing number of tourists and travellers in the country as well.

Resorts World Manila has strong competitive position, being the first to enter the Philippine Market, it was able to establish its name and introduce its products and services earlier than its competitors. It gained customer loyalty and brand recall already. It has the widest set of network and holds the largest market share in its industry.

In terms of the gaming sector, RW still holds a huge portion of the market share. Whilst on the hotel side, it segregated its market and came up with hotels that can cater to different social classes. Come the end of Phase 3, two new upcoming high-end hotels will rise in the vicinity of the establishment (Hilton Hotel and Sheraton Hotel).

Therefore, the strategies that best fit Resorts World Manila are the following:

Product Development, Market Development and Market Penetration.

SUMMARY OF RESULTS

STRATEGIES	SUMMARY OF MATRICES					
	IE Matrix	SPACE Matrix	BCG Matrix	Grand Strategy Matrix	SWOT	TOTAL
Forward Integration		X	X	X		3
Backward Integration		X	X	X		3
Horizontal Integration		X	X	X		3
Market Penetration	X	X	X	X	X	5
Market Development		X	X	X	X	4
Product Development	X	X	X	X	X	5
Related Diversification		X		X	X	3
Unrelated Diversification		X				1
Retrenchment						0
Joint Ventures						0
Divestiture						0
Liquidation						0

Quantitative Strategic Planning Matrix

		<i>Sustainability Plan for Gaming (Casino)</i>		<i>Exclusivity Plan for Resorts World Manila</i>	
Opportunities	Weight	AS	TAS	AS	TAS
1. ASEAN Integration (potential increase in investments, more opportunities for expansion and growth)	0.10	4	0.40	3	0.30
2. Increase in estimated Philippines visitor receipts (Sept 2015: 16.6 mn vs. Sept 2014: 13.3 mn) - growth rate is 24.24%	0.10	4	0.40	3	0.30
3. Relatively good forecast of Philippine GDP growth rate (from 1.21 Q4 2015 to 1.42 Q2 2016)	0.10	3	0.30	4	0.40
4. Stable employment rate (94.0 % - Oct 2015 to 94.4% - Oct 2015) and decreasing unemployment rate (6.0% - Oct 2014 to 5.6% - Oct 2015)	0.05	3	0.15	4	0.20
5. Peso Weakening (e.g. vs dollar Php 44 in 2014 to Php 47 in 2015)	0.05	4	0.20	3	0.15
6. Improvement of infrastructures along NAIA road - making RW more accessible to local clients as well	0.05	3	0.15	4	0.20
7. Forecast that the Philippine Casino Industry will gain a revenue of \$6bn by 2018 making it part of the top 4 in the world.	0.05	4	0.20	2	0.10

Threats	Weight	AS	TAS	AS	TAS
1. Decline in China's Market - loss 43% of value from June 2015 (growth forecast for 2016 - 3.6% to 3.3%).	0.10	4	0.40	2	0.20
2. Impact of 2016 Election on various economic factors (e.g. interest rates, inflation)	0.05	2	0.10	1	0.05
3. Filipino Culture - church intrusion in the businesses and other activities of the Philippine government.	0.05	0	0.00	0	0.00
4. Fed's Plan to raise U.S interest rate	0.05	2	0.10	3	0.15
5. Decline in other currencies (JPY, KRW)	0.05	2	0.10	3	0.15
6. Severe traffic congestion along NAIA road (announced delay in construction as of Sept 2015)	0.05	3	0.15	4	0.20
7. Decrease in Philippine Foreign Trade - 2.7% (1st Semester of 2014 to 1st Semester of 2015)	0.05	2	0.10	3	0.15
8. Terrorism (Local and Global) - lesser tourists will be interested to visit due to the risks of being involved in terrorists attacks	0.05	0	0.00	0	0.00
9. Impact of Greece's default in other markets	0.05	2	0.10	3	0.15

		<i>Sustainability Plan for Gaming (Casino)</i>		<i>Exclusivity Plan for Resorts World Manila</i>	
Strengths	Weight	AS	TAS	AS	TAS
1. Net income increased from 2.8 mn to 5.4 mn (50.31% increase) and PPE grew by 13.35% - includes the expansion of Marriott Hotel	0.15	4	0.60	3	0.45
2. The company has good network (wide number of affiliates/susidiaries) - 34 companies. Therefore there is a continuous increase in stockholder's equity (33bn to 39bn).	0.10	3	0.30	4	0.40
3. A one stop shop (Casino, Hotel, Theatre, Mall, Movie House)	0.10	4	0.40	2	0.20
4. Relatively wider price range for the hotels and shops in the Newport Mall	0.10	2	0.20	3	0.30
5. Good location - across NAIA Terminal 3 and 5 kilometers away from NAIA Terminal 1 and NAIA Terminal 2 and the company provides convenience to customers (better accessibility) by offering free shuttle services - 17 drop off/pick up points	0.10	3	0.30	4	0.40
6. RW Mobile Companion	0.05	3	0.15	4	0.20

Weaknesses	Weight	AS	TAS	AS	TAS
1. For the employees: Low product knowledge, weak customer rapport for staff and lacks multilingual staff and	0.20	3	0.60	4	0.80
2. Congestion in gaming area leads to limits in pricing variety	0.10	3	0.30	4	0.40
3. Place is a bit congested, the ambience is becoming less upscale, pleasant and posh.	0.10	3	0.30	4	0.40
TOTALS			6.00		6.25

After further analysis and considerations, the strategies are now trimmed down to the two most feasible plans.

First, is the sustainability plan for the gaming (casino) business of Resorts World Manila. Given that this sector is the biggest revenue source of Resorts World (90%), the company should ensure that it is maintaining the high quality of service that it is providing its customers. Based on the data gathered, it was found that Solaire and City of Dreams has been eating up the market share of RW in the gaming sector. With that, it should ensure that all its mechanisms, facilities and paraphernalia are up-to-date with the latest gaming trends. It should continuously invest in innovation.

Another possible strategy is the exclusivity plan for RW. Currently, the target market of RW is from rich to the upper middle class individuals. However, to have an upscale and high-end status, it should limit its target market to the upper class only (Rich to Upper Income).

For the ASEAN Integration, Sustainability plan will get a rating of 4 as if the company has the latest gaming trends, there will be more loyal and new members who will be consistently satisfied and will provide recommendation to their networks on the services that RW provides. Thus, attracting more investors due to the many opportunities for growth and expansion. Exclusivity plan on the other hand, will get a rating of 3 as it will have lesser impact to the ASEAN integration. But, the upscale status with excellent products/services will still attract investors due to the good feedback and high-end products and services that will have potential growth in the long run.

Both strategies will have strong impacts on the increase in travelers and visitors in the country. More tourists indicate more potential customers. Since RW is an integrated resort and its target market are the rich individuals who are interested in staying in accommodations with additional attractions, then the integrated resort with the best casino will be the best option for tourists. Thus, giving it a rating of 4. The exclusivity plan will have a rating of 3 as it has a huge impact to the tourists' options, but not as high as the sustainability plan. The exclusivity plan will provide more privacy and better services (focus on clients' needs) than the normal hotels, casinos and Mall businesses, which is a good thing for RW as well giving it a rating of 3.

Good forecast of Philippine GDP growth, stable employment rate and low unemployment rate are factors that contribute in determining how good the economic standing of a country is. All will have similar impact to the strategies. If there is GDP growth rate, employment rate stays stable and unemployment rate remains on a low level, it will reflect good economic standing of the country. Thus, it will have an impact on any business sector in the Philippines (service, manufacturing etc.). This indicates more spending capacity for the local clients. Exclusivity plan will benefit more from the stable employment rate, as it will affect all sectors of the business (gaming, non-gaming and other income). Thus, giving this strategy a rating of 4. Sustainability plan will get a rating of 3 as it will have a similar effect as the exclusivity plan but will only impact the gaming sector. In general, there is a higher probability of increase in local customers spending due to the good economic performance of the country.

In terms of peso weakening, sustainability plan will get a higher rating (4) as peso weakening means lower value for the Philippine peso and higher value for foreign currencies. Thus, more spending capacity for tourists in the gaming sector. Lesser impact on the exclusivity plan as the products and services in the non-gaming and other income portion are less addictive than that of the gaming sector, giving it a rating of 3.

Improvement of infrastructure in the NAIA road will have more impact on the exclusivity plan as it will provide more convenience to the clients. It will be more marketable due to the better accessibility that it can offer. Exclusivity plan has a higher rating (4), as most high-end clients will appreciate the accessibility of a place due to lesser time to waste in traffic. It makes the experience more stress free. It will indicate better reputation for the establishment as well. Similar impact to the sustainability plan, but it will only affect the gaming sector as well. Thus, giving it a rating of 3.

The optimistic projection of the casino industry growth in the succeeding years is a good sign for the company. Sustainability plan will have a higher rating (4) as the forecast will have a more direct impact to the gaming business given that the projection refers solely to the casino business. Exclusivity plan on the other hand, will get a rating of 2 as it will have a more indirect impact but still the forecast will have a positive effect in the overall operation of the business given that it is an integrated resort and have a casino operation together with other businesses.

The sustainability plan will have a higher impact on the decline in China's market as it will have the opportunity to capture its market given that China's economy is

declining. The prospective customers might shift to RW Manila if it can provide a similar or even better service and technology than that of China's in the gaming sector. In addition, the company is not new to the industry as it already has the Singapore and Malaysia branch. The rating will be 4. The exclusivity plan will have a two level rating lower (2) as the effect of the China's market decline will be lesser. But it will still gain an impact on the shift of China's market due to the similarity in the target market and nature of the business.

The impact of 2016 election on various economic factors has indirect effect on both strategies. However, there can still be an influence on consumer spending depending on the performance of the newly elected officials. There will be greater impact on the gaming business, as most locals spending on entertainment will be affected with the decline or improvement in the economic status of the country. Lesser effect on the exclusivity plan since it will cover all the products and services of RW, not just limited on the casino business.

Same scores will be given to Fed's plan to raise U.S. interest rate, decline in other currencies (JPY, KRW) and impact of Greece's default in other markets. This would mean volatility in the global market, which will affect the spending capacity of foreign customers and indirectly affect spending of local customers, which is why exclusivity better counters this threat because the premium market is relatively less sensitive. Thus, exclusivity plan is given a rating of 3 and lesser on the sustainability plan (2). Decrease in Philippine Foreign trade will have a similar effect, with same ratings for both strategies, but the focus will be on local customers.

Lastly, for the traffic congestion, higher rating (3) will be given to exclusivity plan as it will have more effect on the high-end services of the company. The accessibility might have big impact on the preference of the customers. Whereas, a lower rating (2) for the sustainability plan as it will only affect the gaming business (one sector of the company).

There are no effects for the Terrorism and church intrusion threats in the external factor evaluation.

Increase in net income will have greater effect on the sustainability in the gaming business as it comprise 90% of the revenues of Resorts World. Thus, giving it a rating of 4. High impact as well on the exclusivity plan but at a lower level (3), as there is a risk of an initial decline in income with the shift of target market. There will be a sudden decrease in the “other” customers’ (belong to the lower social classes) entry.

The wide array of network will affect the exclusivity plan more than the sustainability plan as the networks can be more beneficial on the re-arrangement and possible re-construction of the Newport mall (with the new high-end stores and restaurants). Thus, giving the exclusivity plan a rating of 4. Whereas, for the sustainability plan, the network of RW will still be of vital role as the connections can be used to determine the updates in the gaming technology, giving it a rating of 3.

The strength of being a one stop shop has more effect on the sustainability plan for gaming as if the casino sector is well maintained and the services are continuously improved, it will entice more customers to choose RW and it will promote more

loyalty from existing clients. The impact of the good casino business will have indirect effect on the other businesses of RW (non-gaming and other income sector) being an integrated resort. Rating will be 4 on the first strategy. On the other hand, it will have lesser impact on the exclusivity plan as the changes will be more on the pricing and limitation on the high end establishments within the mall. There will be no changes on the number of products and services types available. Thus, rating will be 2.

The wide range of prices for the hotels and shops will have greater effect on exclusivity plan as when this strategy is implemented by the company, it will limit the range of prices for the products and services to upscale brands only. Rating will be 3. Lesser impact on the sustainability plan (rating is 2) as it will only affect the pricing in the gaming sector.

The strategic location and accessibility will have more effect on the exclusivity plan as more high –end customers especially tourists will opt to choose RW due to its proximity to the airport (Rating: 4). Very close effect on the sustainability plan, but it will only affect one sector of the business - gaming (Rating: 3).

RW mobile companion will have a rating of 4 in exclusivity plan as it will provide more convenience and better customer service to the upscale clients. If the access for the Mobile companion will be limited to the target clients with regular updates on the upcoming events in the company, it will provide more satisfaction to its customers. The impact will be the same with the sustainability plan, however, it will just affect the casino business (updates only on the tournaments and gaming schedules).

Excellent product knowledge, good customer rapport and other special services such as the existence of the multilingual staff are very important factors for the success of a business. With the exclusivity plan, the effect of customer service is highly relevant to the response of the customers of RW, giving it a rating of 4. Tapping the high-end market is very risky as the services should always be at a “premium” level. Quality is very important. Similar with the sustainability plan, the effect of customer service should be at the top priority as the employees will be dealing with the top clients, which is very crucial to the success of the business. However, since the sustainability plan will only cover the gaming business, the rating will be lower than that of the other strategy.

Congestion in the gaming (leads to limits in pricing variety) and “non-gaming” areas makes the place less upscale and high-end. It will have the most effect on the exclusivity plan. If the company wants to shift the market to the more “premium” clients – crème of the crop, it should opt to limit the number of people coming in the area. In addition, it will have a general effect on all sectors of the business. Thus, exclusivity plan got a rating of 4 in this factor. On the other hand, effect is comparable to the sustainability plan; however, the scope is limited to the gaming area.

VII. OBJECTIVES, STRATEGY RECOMMENDATIONS AND ACTION PLANS

Conclusions and Recommendations

Based on the strategy formulation tools used in this study, the exclusivity plan is more applicable to the current state of the company. As per the QSPM, this strategy is relevant within the company's strengths, weaknesses, opportunities and threats. With that, the company will aim to shift from its current target market (Rich to Upper Middle Income) to Rich and Upper Income only. This is to focus on its high-end status. It entails improvement of the establishment's ambiance, security and facilities. It should also give attention on operational efficiency on the limited gaming seats by assuring high-rollers. This is to give priority to clients considered as the main contributor of the increase in gaming revenues. In addition, this strategy will be consistent with the Phase 3 expansion as pull of market A means high occupancy rate of high-end hotels. Exclusivity will also minimize the "Responsible Gaming" risks as it will be focusing on the clients with extensive budget to allocate for leisure and entertainment. Lesser middle-income professionals will be at risk in becoming addicted to casino games. Resorts World should also consider better selection of shuttle points. It can be limited only to upscale areas. If possible, the company can also consider the removal of shuttle services as well to be able to maintain the high-end market. Another important point is the hiring of "highly trained" front line employees. This is to ensure that RW has the ability to provide quality services and can cater to the needs of the high-end clients. RW should also revisit the establishments within Newport mall and limit the stores and restaurants

to those that are marketable to its prospective clients. It can also re-think partnerships or have a stricter selection of the shows being held in its Theater.

Sustainability Plan and Other Strategies for the Gaming Sector (Casino Business)

Even though the QSPM suggests the implementation of the exclusivity plan, the company should still opt to continue the sustainability plan for the gaming business. In order to maintain the high level of revenue share of the gaming sector, the company must ensure to continuously innovate and develop its casino business. With that, it should be updated with the latest gaming technology by focusing on research and development. It should be also up-to-date with the latest gaming trends. Furthermore, Resorts World Manila could use its international networks to be aware of international developments in the gaming industry. Thus, it can still implement the other strategy, which is the sustainability plan for the gaming sector. The gaming sector is the biggest revenue source of RW (90%). It is imperative for the company to maintain its good position and formulate strategies to gain back its market share. The reason for the loss of market share is “novelty” of City of Dream and Solaire. In terms of innovation, RW can re-create this “novelty”. This sustainability plan will aim to continuously innovate and pioneer with the latest trends in gaming. RW will maintain its first mover advantage. As mentioned above, it should take advantage of its network. One example under sustainability plan is “*Social Gaming*” which will promote online gaming plus social networks. Disclaimer on the social gaming, it does not mean shifting to online gaming business. It will just

be used as a marketing tool and means to create brand loyalty. In addition, it will be a means of connection for the rich clients living in urban-rural fringes.

Objectives

A. Strategic Objectives

1. Convert Resorts World brand to a more “premium” public perception.
2. Maintain market leadership and improve market share to over 50%.
3. High average occupancy rate for premium hotels (80%).

B. Financial Objectives

1. Improve the growth of gaming revenue source by 100% from 2015 to 2018.
2. Improve the growth of hotel, food and beverages revenue source by 80% from 2015 to 2018.

VIII. STRATEGY IMPLEMENTATION

Strategy Map



Upon further analysis, the study came up with the links to connect the factors in the balanced scorecard and finalize the suggested strategy map for Resorts World Manila.

It will start with the Learning and Growth portion where product knowledge and employee morale will lead to innovation as new and better ideas will be formulated brought about by new learning and satisfaction of employees will motivate them to improve the current business operations. Leadership, communication and cross-cultural trainings of officers and managers will lead to employee morale as

managers and officers will learn how to handle and supervise their staff. In addition, employee morale will lead to reliable security protocol, similar to the impact on innovation; employees will be more encouraged to do their job, thus, in this case ensuring safety within the area.

When the company is successful in its innovation results, it will then lead to entry of new customers and customer satisfaction as products and services will be on high demand due to high level of quality. Reliability of security protocol on the other hand, will result to customer satisfaction as people will feel that the company is concerned with their safety thus investing on good security, low level of customer complaints as there will be lesser possibility of misconducts inside the establishment and efficiency of arrival and exit time and steps of customers. The efficiency of arrival and exit time and steps of customers will most likely result to customer satisfaction and low level of customer complaints due to the convenience and effectiveness of the company's operations.

Maintenance of the low level of customer complaints will mean customer's satisfaction as it indicates that they are happy with the services and products that the company provides. Customer satisfaction will lead the company to earning higher revenue, as it will gain loyalty from the new and existing member and maintaining average hotel occupancy rate, as the probability of return will be higher given the superb level of service.

When there is new customer (rich and upper income) increase, the likelihood that the financial goals will be attained is higher. It would mean higher income which will contribute to gaming revenue growth, a higher proportion of market share will be

secured as it would be the top preference of consumers and it would maintain high average occupancy rate as portion of the new customers would be the hotels' guests and portion would contribute by providing good feedbacks with regards to the products and services of the company which will then lead to further increase in customers.

Action Plans and Programs

ACTION PLAN			
Priorities	Time Frame	People Responsible	Specific Indicators
1) Determine financial feasibility	1 month	Finance Team	Projected reasonable profit (net income)
2) Determine logistics	2 months	Logistics Team	Floor Plan: Identify stores and restaurants to be upgraded and added.
3) Communicate and have a dialogue with the current and prospective tenants regarding the re-branding effort.	2 months	Special Projects Team	Discuss the plan to the current occupants and send proposal to the prospective tenants (new stores and restaurants).
4) Upgrade facilities in Newport Mall	6 months	Engineering Team	Acquisition of new equipment and improvement of current facilities.
5) Re-assess shuttle location points and move it to more upscale areas. Consider also possibility of removing shuttle services altogether.	Less than one month	Operations Team	Announce the elimination of various shuttle drop off and pick up points.
6) Create marketing plan for the re-branding to the premium market	2 months	Marketing Team	Marketing plan
7) Evaluation and monitoring of action plan	Throughout the project	Special Projects Team	Deadline and budget costs are consistently met every step of the project.
TOTAL TIME: Approximately one year (with overlaps in the time frame)			

The action plan will be part in the determination of the feasibility of the strategy that this study suggests to be implemented in Resorts World Manila.

The estimated time to complete this is approximately one year. Some of the steps can be done at the same time period (different teams assigned).

First, the company should check its financial capacity. A long-term plan should be set with a projected reasonable profit that will contribute to Resorts World's success. After the management of its finances, the logistics team should study the current floor plan of Newport Mall and determine which parts are in need of improvements. This will include the identification of areas for upgrade and list some of the possible new establishments and restaurants that will fit the overall area enhancement.

The next step would be communicating the plan to the current and prospective tenants regarding the re-branding efforts. This will mean having a dialogue with the current occupants and discuss the plan for the whole area, which needs their participation. It will also involve the distribution of proposals to prospective tenants, attaching possible agreements and terms.

After everything has been set and all approvals (within the company) have been acquired, RW can start upgrading its facilities. This may entail acquisition of new equipment and improvement of current facilities.

Another service that needs re-evaluation is the shuttle drop off and pick up points. The operations team should re-assess the location points of the company's shuttle services and consider moving it to more upscale areas. Furthermore, it should also consider the possibility of removing the shuttle services altogether.

Finally, after all the developments, the marketing team should be responsible in creating a marketing plan for the re-branding to the premium market. In order to communicate the changes to its customers and clients, the company should use various effective marketing tools. Continuous evaluation and monitoring should be applied to ensure that the exclusivity plan has been operational and sustainable to the company.

IX. FINANCIAL PROJECTIONS

The Exclusivity and Sustainability Plan Strategies

Improvements and Maintenance of Facilities	P1,500,000,000
Marketing and Research	P1,000,000,000
Training and Hiring of "Highly Trained" Front Line Employees	<u>P500,000,000</u>
Estimated Costs for 3 Years	P3,000,000,000

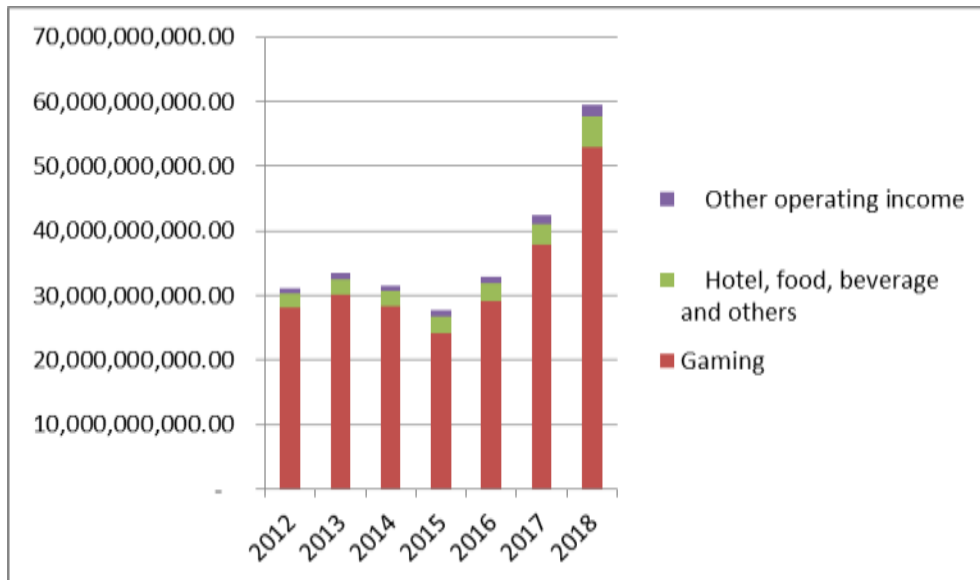
The estimated cost for the above strategies will be around P3B, distributed throughout 3 years. The distribution per year is not equal and will be dependent on the pace of the strategy and the needs of the specified year. Most of the cost will go through improvements and maintenance of the facilities at P1.5B. This includes both the improvement of the ambiance for the Exclusivity strategy and equipment upgrades for the Sustainability strategy. This item also includes the planning, organization and execution costs of any facilities and location related projects. The second item is marketing and research at P1B. This involves the re-branding “push” for the premium market for the Exclusivity strategy. This also encompasses any research and innovation costs needed for the Sustainability strategy. Lastly, the P500M will be allocated to Human Resource. This involves the hiring of multilingual staffs and “highly trained” front line employees for the Exclusivity Plan. These employees are mostly customer-facing or “field” staffs that need to be well-trained and knowledgeable in order to be consistent with the aimed “premium” feel. Any employee-related costs for innovations due to the Sustainability strategy such as trainings are also covered in this line.

Methodology

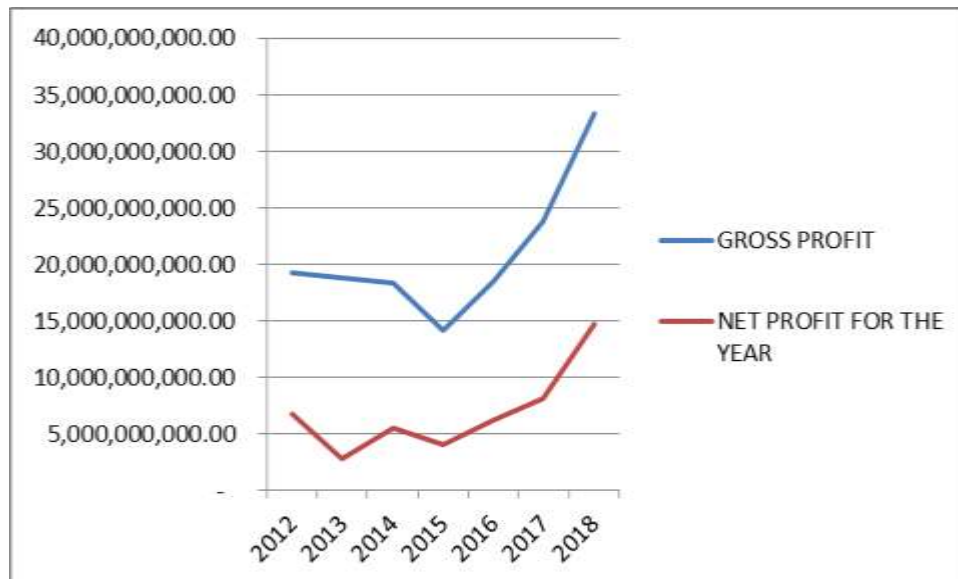
As for the financial statements, projections were made for the years 2016 to 2018. The 2015 numbers were heavily based on the latest data available as of this writing, which are the unaudited 2015 statements of the company released on March 2016. Various methodologies were applied in projecting the succeeding three years. Historical data is the main basis for the projections. These data were crunched either through growth rates or historical proportions of the corresponding items. Three-year running averages were also used in applicable items. There are certain cases wherein the numbers from 2012 is a far outlier from the other historical numbers. In those cases, a two-year running average was used instead. Variable items that are not related to direct business operations were excluded from the projections as it might skew the numbers, defeating the purpose of the study.

Projected Income Statement

RESORTS WORLD MANILA				(unaudited)	PROJECTIONS		
YEAR	2012	2013	2014	2015	2016	2017	2018
NET REVENUES							
Gaming	28,058,258,093.00	30,003,598,507.00	28,376,733,234.00	24,216,681,861.00	29,060,018,233	37,778,023,703	52,889,233,184
Non-gaming:							
Hotel, food, beverage and others	2,138,225,200.00	2,502,498,641.00	2,264,169,550.00	2,468,610,922.00	2,715,472,014	3,258,566,417	4,887,849,626
Other operating income	880,710,104.00	875,560,158.00	922,373,692.00	1,034,396,124.00	1,158,523,659	1,355,472,681	1,762,114,485
Sub Total	31,077,193,397.00	33,381,657,306.00	31,563,276,476.00	27,719,688,907.00	32,934,013,906	42,392,062,801	59,539,197,295
Less: promotional allowance	1,687,446,005.00	2,533,628,373.00	2,502,976,854.00	3,117,567,390.00	2,634,721,113	3,391,365,024	4,763,135,784
NET REVENUE	29,389,747,392.00	30,848,028,933.00	29,060,299,622.00	24,602,121,517.00	30,299,292,794	39,000,697,777	54,776,061,512
DIRECT COSTS	10,111,138,294.00	12,107,719,504	10,755,169,639.00	10,490,666,045.00	11,856,245,006.26	15,261,142,608	21,434,111,026
GROSS PROFIT	19,278,609,098.00	18,740,309,429.00	18,305,129,983.00	14,111,455,472.00	18,443,047,788	23,739,555,169	33,341,950,485
GENERAL AND ADMINISTRATIVE EXPENSES	11,818,861,493.00	14,123,148,656.00	11,907,758,971.00	9,352,463,240.00	11,222,955,888	14,589,842,654	17,507,811,185
OPERATING PROFIT	7,459,747,605.00	4,617,160,773.00	6,397,371,012.00	4,758,992,232.00	7,220,091,900	9,149,712,514	15,834,139,300
OTHER INCOME (CHARGES)							
Finance costs	(1,430,118,362.00)	(2,036,794,564.00)	(1,026,706,225.00)	(775,371,564.00)	(901,038,895)	(838,205,229)	(869,622,062)
Finance income	772,741,044.00	225,815,470.00	190,144,735.00	116,287,960.00			
Share in net loss of an associate		0	(40,168,131.00)	(32,929,706.00)	(26,343,765)	(21,075,012)	(16,860,009)
	(657,377,318.00)						
		- 1,810,979,094.00	- 876,729,621.00	- 692,013,310.00			
PROFIT BEFORE TAX	6,802,370,287.00	2,806,181,679.00	5,520,641,391.00	4,066,978,922.00	6,292,709,240	8,290,432,273	14,947,657,229
TAX EXPENSE	68,154,087.00	66,665,186.00	75,568,162.00	49,370,190.00	100,683,348	132,646,916	239,162,516
NET PROFIT FOR THE YEAR	6,734,216,200.00	2,739,516,493.00	5,445,073,229.00	4,017,608,732.00	6,192,025,892	8,157,785,357	14,708,494,713



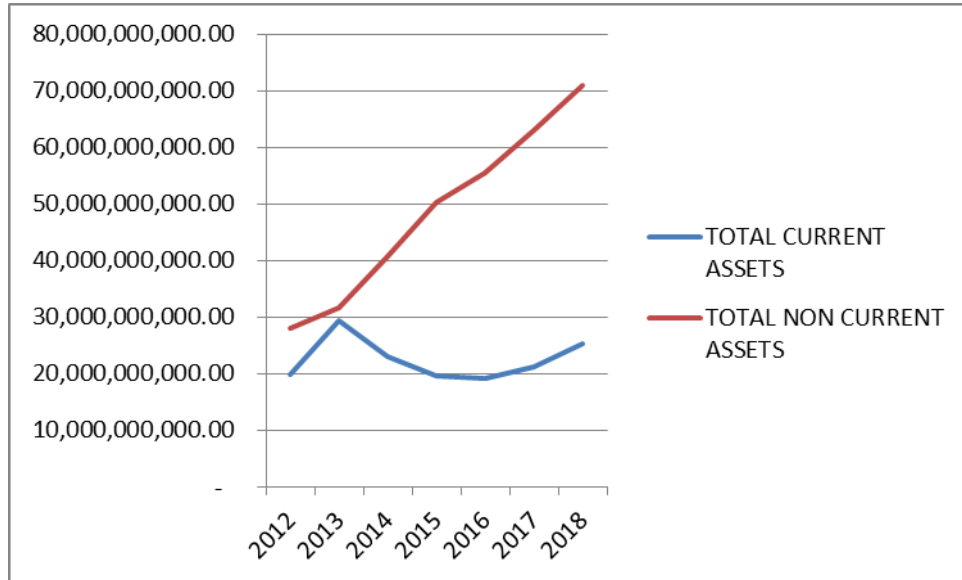
Historical and Projected Trend of each Revenue Source



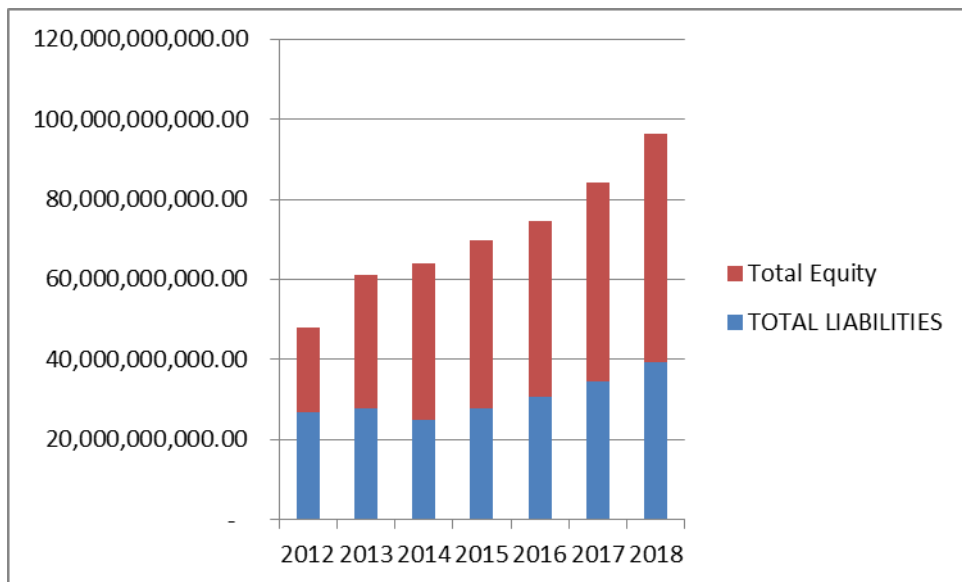
Historical and Projected Trend of Both Gross and Net Profit

Projected Balance Sheet

RESORTS WORLD MANILA				(unaudited)		PROJECTIONS	
YEAR	2012	2013	2014	2015	2016	2017	2018
ASSETS							
CURRENT ASSETS							
Cash and Cash Equivalents	16,913,702,429.00	25,775,504,641.00	17,856,400,410.00	12,301,196,776.00	11,071,077,098	12,178,184,808	15,831,640,251
Trade and other receivables	2,414,802,453.00	3,043,280,454.00	4,278,725,616.00	6,025,327,982.00	7,230,393,578	7,953,432,936	8,351,104,583
Advances to related parties	188,973,468.00	160,722,254.00	159,878,381.00	188,573,879	169,724,838	172,725,699	177,008,139
Inventories	145,565,733.00	207,242,030.00	77,050,033.00	146,526,016	143,606,026	122,394,025	137,508,689
Prepayments and other current assets	256,675,729.00	284,945,836.00	706,879,685.00	920,741,569	637,522,363	755,047,872	771,103,935
TOTAL CURRENT ASSETS	19,919,719,812.00	29,471,695,215.00	23,078,934,125.00	19,582,366,222.00	19,252,323,904	21,181,785,341	25,268,365,597
NON CURRENT ASSETS							
Available for sale financial assets	40,570,000.00	49,880,000.00	63,160,000.00	63,680,000.00	58,906,667	61,915,556	61,500,741
Investments in associates	156,250,000.00	156,250,000.00	953,079,580.00	1,415,228,090.00	1,184,153,835	1,299,690,963	1,241,922,399
Advances for future investment	-	-	2,588,235,294.00	4,088,235,294.00	3,338,235,294	3,713,235,294	3,525,735,294
Property and equipment -net	25,808,488,191.00	29,200,648,007.00	33,700,213,214.00	41,169,656,997.00	47,345,105,547	54,446,871,379	62,613,902,085
Investment property - net	1,393,990,450.00	1,670,869,491.00	1,608,123,984.00	1,545,378,477.00	1,608,123,984	1,587,208,815	1,580,237,092
Deferred tax assets	15,304,792.00	12,437,366.00	161,586,746.00	167,778,209.00	164,682,478	166,230,343	165,456,410
Other non current assets	632,458,075.00	663,955,473.00	1,728,139,847.00	1,735,614,320.00	1,731,877,084	1,733,745,702	1,732,811,393
TOTAL NON CURRENT ASSETS	28,047,061,508.00	31,754,040,337.00	40,802,538,665.00	50,185,571,387.00	55,431,084,887	63,008,898,051	70,921,565,414
TOTAL ASSETS	47,966,781,320.00	61,225,735,552.00	63,881,472,790.00	69,767,937,609.00	74,683,408,792	84,190,683,392	96,189,931,010
LIABILITIES AND EQUITY							
CURRENT LIABILITIES							
Interest-bearing loans and borrowings	2,631,814,400.00	1,603,268,951.00	-	221,808,235.00	-	-	-
Trade and other payables	5,430,304,557.00	7,312,519,510.00	8,300,220,049.00	9,623,917,227.00	8,412,218,929	8,778,785,402	8,938,307,186
Advances from related parties	21,552,014.00	161,969,303.00	1,913,260,919.00	2,982,620,700.00	5,772,074,805	7,211,998,476	9,332,279,754
Dividends payable	-	1,299,210,000.00	-	-	-	-	-
Income tax payable	8,040,450.00	5,769,875.00	5,337,998.00	-	5,553,937	5,445,967	5,499,952
TOTAL CURRENT LIABILITIES	8,091,711,421.00	10,382,737,639.00	10,218,818,966.00	12,828,346,162.00	14,189,847,670	15,996,229,844	18,276,086,892
NON-CURRENT LIABILITIES							
Interest-bearing loans and borrowings	4,524,481,108.00	2,968,477,555.00	216,923,061.00	-	108,461,531	54,230,765	81,346,148
Notes payable	12,098,888,653.00	13,095,218,012.00	13,209,060,653.00	14,021,596,999.00	15,310,098,802	17,259,090,095	19,718,935,857
Derivative liability	1,246,123,668.00	1,145,961,938.00	869,818,108.00	614,964,522.00	553,468,070	498,121,263	448,309,137
Retirement benefit obligation	102,951,396.00	83,677,770.00	118,813,151.00	128,463,198.00	110,318,040	119,198,130	119,326,456
Other non-current liabilities	665,820,307.00	121,818,390.00	146,729,480.00	154,165,026.00	348,003,492	591,310,093	793,867,225
TOTAL NON CURRENT LIABILITIES	18,638,265,132.00	17,415,153,665.00	14,561,344,453.00	14,919,189,745.00	16,430,349,934	18,521,950,346	21,161,784,822
TOTAL LIABILITIES	26,729,976,553.00	27,797,891,304.00	24,780,163,419.00	27,747,535,907.00	30,620,197,605	34,518,180,191	39,437,871,714
EQUITY							
Equity attributable to parent company							
Capital stock	10,000,000,000.00	10,000,000,000.00	10,000,000,000.00	10,000,000,000.00	10,000,000,000	10,000,000,000	10,000,000,000
Additional paid-in capital	5,821,627,500.00	22,417,157,066.00	22,417,157,066.00	22,417,157,066.00	22,417,157,066	22,417,157,066	22,417,157,066
Treasury shares, at cost	- 8,584,100,000.00	- 8,324,412,515.00	- 8,324,412,515.00	- 8,324,412,515.00	- 8,324,412,515	- 8,324,412,515	- 8,324,412,515
Revaluation reserves	10,388,665.00	46,604,602.00	39,230,463.00	59,715,087.00	44,810,045	50,514,410	57,713,959
Retained earnings	13,988,888,602.00	9,288,495,095.00	14,733,381,929.00	17,635,760,420.00	19,689,704,162	25,293,291,811	32,365,648,358
Total equity attributable to shareholders of the parent company	21,236,804,767.00	33,427,844,248.00	38,865,356,943.00	41,788,220,058.00	43,827,258,758	49,436,550,772	56,516,106,867
Non-Controlling interests	-	-	235,952,429.00	232,181,644.00	235,952,429	235,952,429	235,952,429
Total Equity	21,236,804,767.00	33,427,844,248.00	39,101,309,372.00	42,020,401,702.00	44,063,211,187	49,672,503,201	56,752,059,296
TOTAL LIABILITIES AND EQUITY	47,966,781,320.00	61,225,735,552.00	63,881,472,791.00	69,767,937,609.00	74,683,408,792	84,190,683,392	96,189,931,010



Historical and Projected Trend of Current and Non-Current Assets



Historical and Projected Trend of Liabilities as opposed to Equities

Projected Cash Flow Statement

RESORTS WORLD MANILA				(unaudited)		PROJECTIONS	
YEAR	2012	2013	2014	2015	2016	2017	2018
CASH FLOWS FROM OPERATING ACTIVITIES							
Profit before tax	6,802,370,287	2,806,181,679	5,520,641,391	4,066,978,922	6,292,709,240	8,290,432,273	14,947,657,229
Net Cash From Operating Activities	8,997,540,427	7,470,544,011	9,101,516,355	6,674,016,592	7,748,692,319	7,841,408,422	7,421,372,444
CASH FLOWS FROM INVESTING ACTIVITIES							
Net Cash Used in Investing Activities	-4,273,630,623	-5,373,648,690	-10,013,941,523	-9,670,558,340	-8,352,716,184	-9,345,738,682	-9,123,004,402
CASH FLOWS FROM FINANCING ACTIVITIES							
Net Cash From (Used in) Financing Activities	-6,402,114,785	6,482,572,569	-7,094,772,660	-2,802,234,993	-626,095,813	2,611,437,970	5,355,087,400
EFFECTS OF EXCHANGE RATES CHANGES ON CASH AND CASH EQUIVALENTS							
	284,220,763	282,334,322	88,093,597	243,573,107	-	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS							
	-1,393,984,218	8,861,802,212	-7,919,104,231	-5,555,203,634	-1,230,119,678	1,107,107,710	3,653,455,442
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR							
	18,307,686,647	16,913,702,429	25,775,504,641	17,856,400,410	12,301,196,776	11,071,077,098	12,178,184,808
CASH AND CASH EQUIVALENTS AT END OF YEAR							
	16,913,702,429	25,775,504,641	17,856,400,410	12,301,196,776	11,071,077,098	12,178,184,808	15,831,640,251

It was seen that gaming revenues for the company had been continually declining for the past two years (2014 and 2015). With the execution of the Sustainability and Exclusivity strategies, one can see a 20% improvement for this revenue source in 2016. This rate is conservative in that it is lower than the growth of some competitors during select years but higher than the 17% growth in 2015 of the casino industry as a whole. This rate will significantly improve to 30% by 2017 when the impact of the aforementioned strategies will be felt more and 40% by 2018 where the full-operation of Phase 3 hotels would mean more casino customers. The latter 2 growth rate is higher than the industry growth rate and would mean improving Resorts World's market share.

Similarly for the hotel revenue source, it is projected that there would be a 10% growth in 2016 due to the initiation of the strategies. There will be 20% growth by 2017 when their impact is more significantly felt. Hotel revenue growth in 2018 will be at 50% when the Phase 3 hotels are fully operational.

Significant increases in the General and Administrative costs are to be expected due to the continuous innovations needed for the Sustainability strategy and the “premium” costing of both manpower and facilities for the Exclusivity strategy. Costs had been decreasing for 2014 and 2015. It is now expected to increase by around 20% for 2016. By 2017, the increase is at 30% due to a final “push” before the completion of the Phase 3 expansion. Lastly, costs will stabilize back at 20% growth.

Strategic Objectives:

The projected high growth rate for the two major revenue sources in 2017 and 2018 (Casino at 20% and 30%; Hotels at 20% and 50%) are higher than historical industry growth rate, especially with the gaming revenues. As gaming revenue source accounts for around 90% of the total revenue, this implies that Resorts World will improve its market share.

Financial Objectives:

Revenue Source	2015	2018	Growth Rate	Target for Financial Objectives
Gaming	24,216,681,861.00	52,889,233,184	118%	100%
Hotel, food, beverage and others	2,468,610,922.00	4,887,849,626	98%	80%

The projection will exceed the financial objectives set for the aforementioned Sustainability and Exclusivity strategies.

X. STRATEGY EVALUATION, MONITORING AND CONTROL

Balanced Score Card

Area of Objectives	Measure of Target	Time Expectation	Primary Responsibility
<i>Financial</i>			
1) Gaming Revenue Growth (increase by 30%)	Quarter on Quarter gaming revenue numbers	Quarterly Monitoring	Sales and Marketing Officer; To be monitored by the Financial Officer
2) Market Share Stabilization and Increase	Annual industry growth and market share data (proportion)	Annual Monitoring	Sales and Marketing Officer; To be monitored by the Financial Officer
3) Maintain high average hotel occupancy rate (At least 80%)	Annual average occupancy rate	Annual Monitoring	Sales and Marketing Officer
<i>Customer</i>			
1) New Customer Increase (Rich to Upper Income)	Registration of new members and number of points	Monthly Monitoring	Sales and Marketing Officer; To be monitored by the Customer Service Officer
2) Customer Satisfaction	Return Rate based on the membership card data	Monthly Monitoring	Customer Service Officer
3) Maintain low level of customer complaints	No. of complaints received	Monthly Monitoring	Customer Service Officer
<i>Internal Business Process</i>			
1) Innovation	Introduction of new product/theme	Semi-Annual Monitoring	Business Development and Gaming Officer
2) Reliable Security Protocol	passing result in the internal audit of security	Annual Monitoring	Security Officer
3) Efficiency of arrival and exit time and steps of customers	Reduction of time and number of steps required of customers in terms of arrival and exit from the establishment	Annual Monitoring	Procurement and Logistics Officer

<i>Learning and Growth</i>			
1) Product Knowledge	Require minimum no. of training hours for customer facing and concierge employees	Quarterly Monitoring	Human Resource Officer (Training and Development)
2) Employee Morale	High marks in annual employee survey	Quarterly Monitoring	Human Resource Officer
3) Leadership, communication and cross-cultural trainings	Require minimum no. of training hours for officers and managers	Quarterly Monitoring	Human Resource Officer (Training and Development)

Financial

Among the many indicators of success, revenue growth can be one of the most effective measures of a company's performance. With that, intensive monitoring and frequent assessment (quarterly) is needed when it comes to the movement of the company's revenue. To sustain its competitive advantage and ensure that it is still the market leader, an annual monitoring of the industry growth and proportional measure of the company's market share should be implemented. With the current expansion of Resorts World (extension of Marriott and construction of Hilton and Sheraton), it seems that it is capitalizing on the non-gaming specifically the Hotel business of the company. So, it should ensure that it will be applying strategies that would lead to excellent results. Occupancy rates should be annually monitored and ensure that the facilities are being maximized given that there will be more additional rooms to fill in with the construction of new hotels. Success measures can also be applied.

Customer

As mentioned part of the internal business process, it is important to satisfy the customers and further gain its loyalty. The major factors to look at in the Customers portion of the balanced scorecard are the increase of new members/customers, customer satisfaction and low level of customer complaints (remain manageable). To convince and entice the customers to check and try the products and services of the company, it should have good marketing strategies. To ensure that these strategies are effective, there should be a monthly monitoring to assess the number of new customers coming in the establishment. There are various games in the casino sector that may be addictive and if the people are happy with the results it tends to activate the feeling of wanting more. On the other hand, in the non-gaming sector – service, ambiance, satisfaction, variety of products/services and value for money are some of the factors that customers are looking for. Thus, if the overall maintenance of high-quality services are provided more clients will be encouraged to return and be considered as loyal customers of Resorts World. To evaluate the services provided by the employees, there should be a monthly monitoring of the number of complaints received from customers and these should be immediately attended to and prevent to recur in the future.

Internal Business Process

With the fast growing technological innovations nowadays, companies should give attention to various innovations applicable to its businesses. This is to maintain high quality services provided to its customers. A semi-annual monitoring is enough to cope with the advancements and improvements available. To ensure security and

safety of all the stakeholders in the company, security protocols should be revisited on an annual basis and be assessed if it can still manage the risks and threats of danger coming in the establishment. Customer satisfaction should be one of the priorities of Resorts World Manila given that its revenue generation process is highly dependent on its wide pool of customers. With that convenience and good services are required to satisfy or better, exceed the needs and wants of the clients.

Learning and Growth

It is imperative for Resorts World Manila to require its employees to take various trainings not only to promote better performances but also for their own personal growth. Thus, a quarterly monitoring of compliance is needed to ensure that employees are getting the trainings needed for their specific roles. It is important for the employees to have refreshers from time to time to ensure that everyone is on the right path and be regularly updated on the development in the company's products and services. Whereas, for the officers and managers, to maintain harmonious relationships with the staff or the employees on a lower level position and to aid in better decision making activities, other more specific and specialized trainings should be taken. To guarantee that the employees are satisfied on their specified job, it is also vital for the company to check employee morale.

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Appendix A

RESORTS WORLD MANILA - Survey Questionnaire

Good Day!

I am Roselle Vida, an MBA student at the Ateneo Graduate School of Business currently taking up my Strategic Management class. I would like to ask for your help by answering the questions below about Resorts World Manila and its major competitors. It will only take approximately 5-10 minutes to complete the survey questionnaire.

Please rest assured that the information gathered will be kept confidential and will only be used for academic purposes. If you are not comfortable sharing ideas and information, you have the option not to answer or refuse to participate in the activity. For any concerns, you may contact me via email: rosellevida@yahoo.com. Thank you very much.

Age: _____

Male / Female: _____

Questions:

- 1) When travelling, what feature/s of a hotel/inn affect your decision in choosing a place to stay? Choose from the below.

_____ Price
_____ Accessibility
_____ Cleanliness
_____ Facilities
_____ Service
_____ Reputation
_____ Ambiance
_____ Recommendation (includes ratings in the internet)
_____ Others (please mention all if more than one)

- 2) Rate the below same feature/s (from item 1) based on importance (1 – highest; 9 – lowest).

_____ Price
_____ Accessibility
_____ Cleanliness
_____ Facilities
_____ Service
_____ Reputation
_____ Ambiance

- _____ Recommendation (include ratings in the internet)
 _____ Other (please mention all if more than one)

- 3) There are three major Casino establishments recently introduced in the Philippines – Resorts World Manila, Solaire and City of Dream. Please rate these three based on the below factors (1 – Highest; 3 – Lowest).

Note: For the pricing, rate based on value for money.

Customer Preference	Resorts World Manila	Solaire	City of Dreams
Location			
Marketing			
Customer Service			
Pricing			
- Hotel			
- Food Services (including restaurants)			
- Casino			
- Entertainment			
- Shopping/Mall			
Diversity of Products/Services			
Ambiance (Atmosphere of the place)			

- 4) In terms of entertainment/leisure, kindly choose among the below list (per sector) your most preferred activity/place to visit.

Gaming

- _____ Casino
 _____ Electronic Games
 _____ Bingo Games
 _____ Sports Betting
 _____ Poker Games

Shopping Area

- _____ Mall
 _____ Tiangge
 _____ Night Market

- 5) Among the three – Resorts World Manila, Solaire and City of Dreams, which do you prefer to visit? Why?

Appendix B

Interview with Mags Villafuerte – Part of owner of Universe

1) Describe the nature of your business inside Resorts World Manila?

We opened a bar / club in Resorts World Manila.

2) How long was your business in operation?

8-9 months.

3) What factors made you decide to terminate your relationship with Resorts World Manila?

We realized that the nightlife scene of Manila was already moving back to Makati and Fort Bonifacio, Taguig.

4) What are the challenges in setting up a business in Resorts World Manila?

Location and clustering of establishments. When people are looking to have a good time, they prefer going to an area where there are plenty of other establishments to choose from.

5) What are the advantages of having your business in Resorts World Manila?

The biggest advantage in operating a bar / club in Resorts World is it's proximity to the casino, hotel and airport.

6) Kindly describe RW's market.

The people that frequent Resorts World are mostly gamblers and tourists who prefer staying near the airport.

7) What type of business would be more compatible with RW?

A classy establishment that is more suitable for older gamblers.

8) How much is the rent and what is the profit sharing scheme of the company?

This is confidential information so we cannot disclose.

9) How much is the required capital in setting up a business in RW? and if possible please provide other associated costs.

An amount of P15,000,000-20,000,000 should be enough. Ours cost similar to that amount but most of our assets were old assets from Republiq superclub and Opus so we were able to buy them for its depreciated price.

10) Kindly provide additional information/opinion that would be helpful in formulating strategies for RW.

They need more nightlife establishments.

Appendix C

Hotels

I. Resorts World Manila

A. Remington Hotel (712 Rooms)

1) Standard



Bed	Two queen-size
Occupancy	2 Adults, 2 Kids
Size	21 square meters
Rate	PHP 4,500 exclusive of service charge and taxes (promotional rates also apply)
Amenities	Shower and bathroom Air-conditioning Hot and cold water Standard bed linen Basic bathroom amenities Power sockets on the wall Electronic key lock Telephone Closet Wi-Fi access (Lobby and other public areas) Luggage storage Daily housekeeping services In-room safety box
Other Services	
Local, NDD and IDD telephone access - charges apply	

Hairdryer – PHP500 refundable deposit
 Basement parking - charges apply
 Laundry services - charges apply

2) Premium



Bed	One queen size bed, with one sofa bed
Occupancy	2 Adults, 1 Child (12 years old below)
Size	21 square meters
Rate	PHP 5,000 exclusive of service charge and taxes (promotional rates also apply)
Amenities	Dining table with two chairs Microwave oven (Subject to availability) Refrigerator Shower and bathroom Air-conditioning Hot and cold water Full set of bathroom amenities Power sockets on the wall Electronic key lock Telephone Closet Wi-Fi access (Lobby and other public areas) Luggage storage Daily housekeeping services Upgraded Bed linens In-room safety box Hot water kettle, coffee and tea making facilities Bathrobes Fully stocked mini bars Bottled water

Other Services

Local, NDD and IDD telephone access - charges apply

Hairdryer – PHP500 refundable deposit

Basement parking - charges apply

Laundry services - charges apply

B. Maxims Hotel (172 Suites)

Hotel Facilities

Infinity pool with cabanas

Mall

Fitness Center

Spa and wellness center

Cinema

Theater

Inclusions

24/7 butler

service

Welcome drinks and fruits

Buffet breakfast for 2

Complimentary parking

In-room Wi-Fi

1) Maxims Villa



Beds: King and Twin

Occupancy: 4 adults

Size: 540 square meters

Floor: 5F

Rates from: PHP127,800++

Amenities

- Guest Media Hub / multi-functional touch screen phone
- Analog Phone
- iHome speaker and alarm clock
- 42" LCD TV with wireless keyboard and video-on-demand
- 19" LCD TV inside the bathrooms
- DVD player
- Safety deposit box
- Mini-bar
- Complimentary coffee and tea making facilities
- Maxims Hotel's own line of bathroom amenities
- Private swimming pool
- Reflecting pool
- Massage room
- Powder rooms
- Bar and pantry
- Bath tubs with Jacuzzi function

2) Signature Suite



Bed King

Occupancy 2 adults, 2 kids / 3 adults

Size 149 square meters

Rates From PHP20,800

Amenities

- Guest Media Hub / multi-functional touch screen phone
- Analog Phone
- iHome speaker and alarm clock
- 42" LCD TV with wireless keyboard and video-on-demand
- DVD player
- Safety deposit box
- Mini-bar

Complimentary coffee and tea making facilities
Maxims Hotel's own line of bathroom amenities
Patio with outdoor Jacuzzi
Receiving area
Mini dining area and powder room

3) Maxims Deluxe Suite



Beds: Twin

Occupancy: 2 adults, 2 kids / 3 adults

Size: 45-72 square meters

Floor: 5F

Rates from: PHP15,800

Amenities

Guest Media Hub / multi-functional touch screen phone

Analog Phone

iHome speaker and alarm clock

42" LCD TV with wireless keyboard and video-on-demand

DVD player

Safety deposit box

Mini-bar

Complimentary coffee and tea making facilities

Maxims Hotel's own line of bathroom amenities

Patio with outdoor Jacuzzi

4) Corner Suite



Beds: King or Twin

Occupancy: 2 adults, 2 kids / 3 adults

Size: 76 square meters

Floor: 7F, 8F, 9F

Rates from: PHP19,800

Amenities

- Guest Media Hub / multi-functional touch screen phone

- Analog Phone

- iHome speaker and alarm clock

- 42" LCD TV with wireless keyboard and video-on-demand

- DVD player

- Safety deposit box

- Mini-bar

- Complimentary coffee and tea making facilities

- Maxims Hotel's own line of bathroom amenities

- Receiving area

- Smoking or non-smoking

5) Ambassador Suite



Beds: King
Occupancy: 4 adults
Size: 167 square meters
Floor: 9F
Rates from: PHP52,800

Amenities

- Guest Media Hub / multi-functional touch screen phone
- Analog Phone
- iHome speaker and alarm clock
- 42" LCD TV with wireless keyboard and video-on-demand
- 19" LCD TV inside the bathroom
- DVD player
- Safety deposit box
- Mini-bar
- Complimentary coffee and tea making facilities
- Maxims Hotel's own line of bathroom amenities
- Bath tub with Jacuzzi function

6) Executive Suite

Beds: King
Occupancy: 2 adults, 2 kids / 3 adults
Size: 85 square meters
Floor: 6F, 7F, 8F, 9F
Rates from: PHP19,800

Amenities

- Guest Media Hub / multi-functional touch screen phone
- Analog Phone
- iHome speaker and alarm clock
- 42" LCD TV with wireless keyboard and video-on-demand
- DVD player
- Safety deposit box
- Mini-bar
- Complimentary coffee and tea making facilities
- Maxims Hotel's own line of bathroom amenities
- Receiving area

7) Maxims Suite



Beds: King or Twin

Occupancy: 2 adults, 2 kids / 3 adults

Size: 56 square meters

Floor: 6F, 7F, 8F, 9F

Rates from: PHP14,800

Amenities

Guest Media Hub / multi-functional touch screen phone

Analog Phone

iHome speaker and alarm clock

42" LCD TV with wireless keyboard and video-on-demand

DVD player

Safety deposit box

Mini-bar

Complimentary coffee and tea making facilities

Maxims Hotel's own line of bathroom amenities

8) The Mansion



Amenities

Beds: King and Twin

Occupancy: 4 adults

Size: 652 square meters

Floor: 6F

Rates from: PHP253,800++

Amenities

- Guest Media Hub / multi-functional touch screen phone
- Analog Phone
- iHome speaker and alarm clock
- 42" LCD TV with wireless keyboard and video-on-demand
- 19" LCD TV inside the bathrooms
- DVD player
- Safety deposit box
- Mini-bar
- Complimentary coffee and tea making facilities
- Maxims Hotel's own line of bathroom amenities
- Private swimming pool
- Massage room
- Powder rooms
- Audio-visual room
- Bar and pantry
- Bath tubs with Jacuzzi function

C. Marriott Hotel Manila (342 Rooms)

1) Deluxe Room, 1 King or 2 Double

Price : Php 24,000 – Php 29,000+



Amenities:

BEDS AND BEDDING

Bed: 1 King or 2 Double

Pillowtop mattress, and Duvet

Maximum Occupancy: 3

Rollaway beds permitted: 1 at 1,098.00 PHP per night

Cribs permitted: 1

Maximum cribs/rollaway beds permitted: 1
Room Features: 36sqm/387sqft
Air-conditioned
Connecting rooms are available (for some rooms)
Bath and Bathroom Features:
Marble bathroom
Shower/Tub combination
Bathtub with spray jets
Hairdryer
Lighted makeup mirror
Robe
Slippers
Furniture and Furnishings:
Chair, oversized with ottoman
Alarm Clock
Desk, writing / work, with ergonomic chair, and electrical outlet
Iron and ironing board
Food & Beverages:
Room service, 24-Hour
Bottled water, complimentary
Coffee maker / tea service
Instant hot water
Mini-bar
Kitchen Features
Mini-refrigerator
Internet and Phones
Phones: 3
Phone features:
Cordless phone, voicemail, and speaker phone
High speed Internet, for a fee
Wired Internet, for a fee
Wireless Internet, for a fee
Hospitality Services Evening turndown service
Newspaper delivered to room on request
Entertainment:
TV features: remote control, 40in/102cm, and LCD screen
Plug-In High Tech room
DVD player with movies for rent
Premium movie channels
Cable/satellite
International cable/satellite
CNN, ESPN, and HBO
Movies, pay-per-view
Accessible Room Features:
This room type offers mobility accessible rooms
This room type offers accessible rooms with roll in showers

This room type does not offer hearing accessible rooms

2) 1 Bedroom Executive Suite, 1 King, High Floor

Price: Php 34,000+



Amenities:

Bed: 1 King

Pillowtop mattress, and Duvet

Maximum Occupancy: 2

Rollaway beds permitted: 1 at 1,098.00 PHP per night

Cribs permitted 1

Maximum cribs/rollaway beds permitted: 1

Room Features:

72sqm/775sqft

Air-conditioned

Connecting rooms are available (for some rooms)

Bath and Bathroom Features:

Marble bathroom

Shower/Tub combination

Bathtub with spray jets

Hairdryer

Lighted makeup mirror

Robes: 2

Slippers

Furniture and Furnishings:

Sofa

Alarm Clock

Chair

Safe, in room

Desk, writing / work, with ergonomic chair, and electrical outlet

Iron and ironing board

Food & Beverages:

Room service, 24-Hour

Bottled water, complimentary

Coffee maker / tea service

Instant hot water

Mini-bar

Kitchen Features:

Mini-refrigerator

Internet and Phones

Phones: 3

Phone features:

Cordless phone, voicemail, and speaker phone

High speed Internet, for a fee

Wired Internet, for a fee

Wireless Internet, for a fee

Hospitality Services:

Evening turndown service

Newspaper delivered to room on request

Entertainment:

TV features: remote control, 40in/102cm, and LCD screen

TVs: 2

Plug-In High Tech room

DVD player with movies for rent

Premium movie channels

Cable/satellite

International cable/satellite

CNN, ESPN, and HBO

Movies, pay-per-view

Accessible Room Features:

This room type offers mobility accessible rooms

This room type offers accessible rooms with roll in showers

This room type does not offer hearing accessible rooms

3) 1 Bedroom Presidential Suite

Price: Php 38,000+



Amenities:

Bed: 1 King

Pillowtop mattress, and Duvet

Maximum Occupancy: 3

Rollaway beds permitted: 1 at 1,098.00 PHP per night

Cribs permitted: 1

Maximum cribs/rollaway beds permitted: 1

Room Features:

180sqm/1937sqft

Air-conditioned

This room is non-smoking

Connecting rooms are available

Living/sitting area

Dining area

Living area is separated from bed by privacy wall

Walk-in closet

Windows, soundproof

Bath and Bathroom Features:

Marble bathroom

Shower/Tub combination

Bathtub with spray jets

Whirlpool fits 2

Whirlpool master bath

Lighted makeup mirror

Hairdryer

2 Robes

Slippers

Furniture and Furnishings:

Sofa

Chair

Alarm Clock

Safe, in room

Table with seating for 8

Desk, writing / work, with ergonomic chair, and electrical outlet

Iron and ironing board

Food & Beverages:

Room service, 24-Hour

Bottled water, complimentary

Coffee maker / tea service

Instant hot water

Mini-bar

Kitchen Features:

Pantry area

Mini-refrigerator

Internet and Phones

Phones: 4

Phone features:

Cordless phone, voicemail, and speaker phone

High speed Internet, for a fee

Wired Internet, for a fee

Wireless Internet, for a fee

Hospitality Services:

Evening turndown service

Newspaper delivered to room on request

Entertainment:

TV features: remote control, 40in/102cm, and LCD screen

TVs: 2

Plug-In High Tech room

DVD player with movies for rent

Premium movie channels

Cable/satellite

International cable/satellite

CNN, ESPN, and HBO

Movies, pay-per-view

Accessible Room Features:

This room type offers mobility accessible rooms

This room type offers accessible rooms with roll in showers

This room type does not offer hearing accessible rooms

II. Solaire Manila

A. Bay Tower (500 rooms)

1) Deluxe Room King City View

Price:

Best Available Rate : PHP8,700.00

Indulge (Bed and Breakfast) : PHP10,300.00



The most spacious deluxe rooms in the country with 43 square meters space designed with light-colored palettes on the walls and bright colored carpets to pave way to the objects in design to take center-stage.

Space: 43 square meters

Features:

1 king-size bed or 2 double beds with 350-thread count linens

47" flat LCD screen satellite television with 71 IPTV channels

Spacious workstation

Private security box

Separate shower stall and bath tub, digital scale included

Rose Magnifique bath amenities and hair dryer

Ipod docking station with alarm clock

High speed internet access

International Direct Dial Telephone and Voice Mail

In room coffee and tea making facility

Mini Bar

Floor-to-ceiling windows

2) Deluxe Room King Bay View

Price:

Best Available Rate : PHP9,200.00

Indulge (Bed and Breakfast) : PHP10,800.00



Space: 43 square meters

Features:

1 king-size bed or 2 double beds with 350-thread count linens

47" flat LCD screen satellite television with 71 IPTV channels

Spacious workstation

Private security box
Separate shower stall and bath tub, digital scale included
Rose Magnifique bath amenities and hair dryer
Ipod docking station with alarm clock
High speed internet access
International Direct Dial Telephone and Voice Mail
In room coffee and tea making facility
Mini Bar
Floor-to-ceiling windows
Stunning panoramic view of Manila Bay

3) Grand Deluxe Room King City

Price:

Best Available Rate : PHP9,700.00

Indulge (Bed and Breakfast) : PHP11,300.00



Space: 52 -57 square meters

Features:

1 king-size bed or 2 double beds with 350-thread count linens
47" flat LCD screen satellite television with 71 IPTV channels
Spacious workstation
Private security box
Separate shower stall and bath tub, digital scale included
Rose Magnifique bath amenities and hair dryer
Ipod docking station with alarm clock
High speed internet access
International Direct Dial Telephone and Voice Mail
In room coffee and tea making facility
Mini Bar
Floor-to-ceiling windows

Stunning panoramic view of Manila Bay

4) Grand Deluxe Room Double City

Price:

Best Available Rate : PHP9,700.00

Indulge (Bed and Breakfast) : PHP11,300.00



Space: 52 -57 square meters

Features:

1 king-size bed or 2 double beds with 350-thread count linens

47" flat LCD screen satellite television with 71 IPTV channels

Spacious workstation

Private security box

Separate shower stall and bath tub, digital scale included

Rose Magnifique bath amenities and hair dryer

Ipod docking station with alarm clock

High speed internet access

International Direct Dial Telephone and Voice Mail

In room coffee and tea making facility

Mini Bar

Floor-to-ceiling windows

Stunning panoramic view of Manila Bay

5) Grand Deluxe Room Double Bay

Price:

Best Available Rate : PHP10,200.00

Indulge (Bed and Breakfast) : PHP11,800.00



Space: 52 -57 square meters

Features:

1 king-size bed or 2 double beds with 350-thread count linens

47" flat LCD screen satellite television with 71 IPTV channels

Spacious workstation

Private security box

Separate shower stall and bath tub, digital scale included

Rose Magnifique bath amenities and hair dryer

Ipod docking station with alarm clock

High speed internet access

International Direct Dial Telephone and Voice Mail

In room coffee and tea making facility

Mini Bar

Floor-to-ceiling windows

Stunning panoramic view of Manila Bay

6) Premier Suite

Price:

Best Available Rate : PHP19,200.00

Indulge (Bed and Breakfast) : PHP20,800.00

Suite Life : PHP15,360.00



Space: 87- 94 square meters

Features:

1 king-size bed with 350-thread count linens

55" flat LCD screen satellite television with 71 IPTV channels in Living Room

47" flat LCD screen satellite television with 71 IPTV channels in Bedroom

Executive writing desk

Private security box

Separate shower stall and bath tub, digital scale included

L'Occitane bath amenities and hair dryer

Ipod docking station with alarm clock

High speed internet access

International Direct Dial Telephone and Voice Mail

In room coffee and tea making facility

Mini Bar

Floor-to-ceiling windows

Stunning panoramic view of Manila Bay

Spacious walk-in wardrobe closet with separate powder room

B. SKY TOWER (300 Suites)

1) Sky Studio King

Price:

Best Available Rate : PHP14,700.00

Indulge (Bed and Breakfast) : PHP16,300.00



Space: 65 square meters

Features:

1 king-size bed or 2 queen beds with 350-thread count linens

55" flat LCD screen satellite television with 71 IPTV channels

Spacious workstation

ElSafe Zenith Safety deposit box

Separate rain shower and bath tub, digital scale included

L'Occitane bath amenities and hair dryer

High speed internet access

International Direct Dial Telephone and Voice Mail

In room coffee and tea making facility

Mini Bar

Floor-to-ceiling windows

Spacious walk-in wardrobe closet

2) Sky Studio Queen

Price:

Best Available Rate : PHP14,700.00

Indulge (Bed and Breakfast) : PHP16,300.00



Space: 65 square meters

Features:

1 king-size bed or 2 queen beds with 350-thread count linens

55" flat LCD screen satellite television with 71 IPTV channels

Spacious workstation

ElSafe Zenith Safety deposit box

Separate rain shower and bath tub, digital scale included

L'Occitane bath amenities and hair dryer

High speed internet access

International Direct Dial Telephone and Voice Mail

In room coffee and tea making facility

Mini Bar

Floor-to-ceiling windows

Spacious walk-in wardrobe closet

3) Prestige Sky Suite

Price:

Best Available Rate : PHP28,700.00

Indulge (Bed and Breakfast) : PHP30,300.00

Space: 124 square meters

Features:

1 king-size bed with 350-thread count linens

55" flat LCD screen satellite television with 71 IPTV channels in Living Room

47" flat LCD screen satellite television with 71 IPTV channels in Bedroom

Spacious workstation

Private security box

Separate rain shower and bath tub, digital scale included

L'Occitane bath amenities and hair dryer

High speed internet access

International Direct Dial Telephone and Voice Mail

In room coffee and tea making facility

Mini Bar

Floor-to-ceiling windows

Stunning panoramic view of Manila Bay

Parlor/Sitting Room and 4-Seater Dining Area

Spacious walk-in wardrobe closet

4) Grand Suite 1

Price:

Best Available Rate : PHP39,700.00

Indulge (Bed and Breakfast) : PHP41,300.00

Suite Life : PHP31,760.00



Space: 158 square meters

Features:

1 king-size bed with 350-thread count linens

55" flat LCD screen satellite television with 71 IPTV channels in Living Room

46" flat LCD screen satellite television with 71 IPTV channels in Bedroom

Spacious workstation

Private security box

Separate rain shower and bath tub, digital scale included

L'Occitane bath amenities and hair dryer

High speed internet access

International Direct Dial Telephone and Voice Mail

In room coffee and tea making facility

Mini Bar

Floor-to-ceiling windows

Stunning panoramic view of Manila Bay

Parlor/Sitting/ Powder Room and 6-Seater Dining Area

Spacious walk-in wardrobe closet

5) Grand Suite 3

Price:

Best Available Rate : PHP54,200.00

Indulge (Bed and Breakfast) : PHP55,800.00

Suite Life : PHP43,360.00



Space: 188 square meters

Features:

- 1 king-size bed or 2 double beds with 350-thread count linens
- 55" flat LCD screen satellite television with 71 IPTV channels in Living Room
- 47" flat LCD screen satellite television with 71 IPTV channels in Bedroom
- 55" flat LCD screen satellite television with 71 IPTV channels in Dining Area
- 19" Bathroom Mirror TV with 71 IPTV channels
- Spacious workstation
- Private security box
- Separate rain shower and bath tub, digital scale included
- L'Occitane bath amenities and hair dryer
- High speed internet access
- International Direct Dial Telephone and Voice Mail
- In room coffee and tea making facility
- Mini Bar
- Floor-to-ceiling windows
- Parlor/Sitting Room/ Pantry area and 8-seater Dining Area
- Spacious walk-in wardrobe closet

III. City of Dreams

A. Crown Towers (260 Rooms)

1) Resort Room

Price:

- Best Available Rate: Php 9, 800
- Best Available Rate with Breakfast: Php 11,000
- Early Bird – Advance Booking: Php 7,500



ROOM FEATURES:

Spacious floor area of 36 square meters
300 thread-count linen
Air conditioning with digital climate control
Modern writing desk & writing lamp
High speed wireless internet access
46" LED Television
JBL docking stations
Direct dial telephones with direct room to room dialing
Electronic safety locks
In room private safe
Personal bar and refrigerator
Coffee & tea making facilities
Ironing board & iron
Bathrobe & slippers
Hair dryer
Therapeutic Ergonomic Chair
Separate shower & toilet cubicle
Luxurious branded toiletries

2) Resort Studio Room

Price:

Best Available Rate: Php 12, 800
Best Available Rate with Breakfast: Php 14,000
Early Bird – Advance Booking: Php 9,600



ROOM FEATURES:

Spacious floor area of 36 square meters
72"x80" King or 59"x80" Queen Mattresses
300 thread-count linen
Air conditioning with digital climate control
Modern writing desk & writing lamp
High speed wireless internet access
46" LED Television
JBL docking stations
Direct dial telephones with direct room to room dialing
Electronic safety locks
In room private safe
Personal bar and refrigerator
Coffee & tea making facilities
Ironing board & iron
Bathrobe & slippers
Hair dryer
Therapeutic Ergonomic Chair
Separate shower & toilet cubicle
Luxurious branded toiletries

3) Deluxe Rooms

Price:

Best Available Rate: Php 14,300



ROOM FEATURES:

Panoramic bay or city views
Spacious floor area of 53 to 56 square meters
300 thread-count linen
Air conditioning with digital climate control
Modern writing desk & writing lamp
High speed wireless internet access
46" LED Television
JBL docking stations
Direct dial telephones with direct room to room dialing
Electronic safety locks
In room private safe
Personal bar and refrigerator
Coffee & tea making facilities
Ironing board & iron
Bathrobe & Slippers
Hair dryer
Therapeutic Ergonomic Chair
Separate shower & toilet cubicle
A wide range of luxury toiletries from Antica Farmacista

4) Premier King

Price:

Best Available Rate: Php 17,100



ROOM FEATURES:

Panoramic bay or city views
Spacious floor area of 66 square meters
72"x80" King Mattress
300 thread-count linen
Air conditioning with digital climate control
Modern writing desk & writing lamp
High speed wireless internet access
46" LED Television
JBL docking stations
Direct dial telephones with direct room to room dialing
Electronic safety locks
In room private safe
Personal bar and refrigerator
Coffee & tea making facilities
Ironing board & iron
Bathrobe & slippers
Hair dryer
Therapeutic Ergonomic Chair
Separate shower & toilet cubicle
A wide range of luxury toiletries

5) Resort Suite

Price:

Best Available Rate: Php 19,900
Best Available Rate with Breakfast: Php 21,100
Early Bird – Advance Booking: Php 14,925



ROOM FEATURES:

Spacious floor area of 74 to 82 square meters
72"x80" King Mattress
300 thread-count linen
Air conditioning with digital climate control
Modern writing desk & writing lamp
High speed wireless internet access
46" LED Television
JBL docking stations
Direct dial telephones with direct room to room dialing
Electronic safety locks
In room private safe
Personal bar and refrigerator
Coffee & tea making facilities
Ironing board & iron
Bathrobe & slippers
Hair dryer
Therapeutic Ergonomic Chair
Separate shower & toilet cubicle
Luxurious branded toiletries

6) Executive Suite

Price:

Best Available Rate: Php 25,500
Best Available Rate with Breakfast: Php 26,700
Early Bird – Advance Booking: Php 19,125



ROOM FEATURES:

Spacious floor area of 103 square meters
72"x80" King
300 thread-count linen
24-hour butler service
Air conditioning with digital climate control
Modern writing desk & writing lamp
High speed wireless internet access
46" LED Television
JBL docking stations
Direct dial telephones with direct room-to -room dialing
Electronic safety locks
In room private safe
Personal bar and refrigerator
Coffee & tea making facilities
Ironing board & iron
Bathrobe & slippers
Hairdryer
Therapeutic Ergonomic Chair
Separate shower & toilet cubicle
Luxurious branded toiletries

B. Nobu Hotel (321 Rooms)

1) Nobu Deluxe

Price:

Best Available Rate: Php 7,100
Best Available Rate with Breakfast: Php 8,300
Early Bird – Advance Booking: Php 6,035



Room Highlights

Panoramic views of the City of Dreams pools and the city
King or Double Queen beds
Deluxe bath amenities by Natura Bisse
Selection of Ikaati Premium Tea
Priority reservations at Nobu Restaurant

Room Features

36 sqm or 387 sq. feet
Fully stocked Mini-Bar
Guestroom safe
Iron and ironing board
Connecting rooms available for some rooms.

Occupancy

3 adults or 2 adults and 2 children

Entertainment

47" LED IPTV with Video On-Demand
Complimentary Wireless and Lan Internet
JBL Docking Stations

Services and Amenities

24 Hour Nobu cuisine available in the comfort of your guestroom
24 Hour Concierge
Nobu Fitness Room providing biomechanically engineered equipment from Life Fitness
Nobu Spa providing deluxe body massages using premium natural oils
Laundry and Valet services

2) Nobu Premier

Price:

Best Available Rate: Php 8,100
Best Available Rate with Breakfast: Php 9,300
Early Bird – Advance Booking: Php 6,885



Room Highlights

Corner rooms with panoramic views of the City of Dreams pools and the city
King bed
Deluxe bath amenities by Natura Bisse
Selection of Ikaati Premium Tea
Priority reservations at Nobu Restaurant

Room Features

42 sqm or 452 sq. feet
Fully stocked Mini-Bar
Guestroom safe
Iron and ironing board
Connecting rooms available (for some rooms)

Occupancy

3 adults or 2 adults and 2 children

Entertainment

47" LED IPTV with Video On-Demand
Complimentary Wireless and Lan Internet
JBL Docking Stations

Services and Amenities

24 Hour Nobu cuisine available in the comfort of your guestroom
24 Hour Concierge
Nobu Fitness Room providing biomechanically engineered equipment from Life Fitness
Nobu Spa providing deluxe body massages using premium natural oils
Laundry and Valet services

3) Nobu Executive

Price:

Best Available Rate: Php 10,100

Best Available Rate with Breakfast: Php 11,300

Early Bird – Advance Booking: Php 8,585



Room Highlights

Panoramic views of the City of Dreams pools

King bed

Advanced auto washlet

Deluxe bath amenities by Natura Bisse

Selection of Ikaati Premium Tea

Priority reservations at Nobu Restaurant

Room Features

46 sqm or 495 sq. feet

Enclosed deep seated bathtub with separate shower

Fully stocked Mini-Bar

Guestroom safe

Connecting rooms are available (for some rooms)

Occupancy

3 adults or 2 adults and 2 children

*extra bed / crib is available upon request

Entertainment

55" LED IPTV with Video On-Demand

Complimentary Wireless and Lan Internet

JBL Docking Stations

Services and Amenities

24 Hour Nobu cuisine available in the comfort of your guestroom
24 Hour Concierge
Nobu Fitness Room providing biomechanically engineered equipment from Life Fitness
Nobu Spa providing deluxe body massages using premium natural oils
Laundry and Valet services

4) Nobu Suite

Price:

Best Available Rate: Php 18,100
Best Available Rate with Breakfast: Php 19,300
Early Bird – Advance Booking: Php 15,385



Room Highlights

Panoramic views of the City of Dreams pools and the city
Master room with king bed and separate living room
Powder room
Advanced auto washlet
Deluxe bath amenities by Natura Bisse
Selection of Ikaati Premium Tea
Priority reservations at Nobu Restaurant

Room Features

68 sqm. or 732 sq. feet
Enclosed deep seated bathtub with separate shower
Nespresso coffee machine and gourmet coffee
Fully stocked Mini-Bar
Guestroom safe
Yoga Mat
Connecting rooms are available (for some rooms)

Occupancy

3 adults and 2 children

*extra bed / crib is available upon request

Entertainment

Two 55" LED IPTV with Video On-Demand

Complimentary Wireless and Lan Internet

JBL Docking Stations

Services and Amenities

24 Hour Nobu cuisine available in the comfort of your guestroom

24 Hour Concierge

Nobu Fitness Room providing biomechanically engineered equipment from Life Fitness

Nobu Spa providing deluxe body massages using premium natural oils

Laundry and Valet services

C. Hyatt (365 Rooms)

1) Hyatt King

Price: Php 7,225 – Php 10,130



Room Amenities:

Robes

Walk-in shower

Hairdryer

Iron/ironing board

24-hour room service

Minibar

Coffee maker

40" or larger TV

Cable/satellite TV channels

Video on demand

Hyatt Stereo iPod docking station

iPod docking station also functions as alarm clock
Three or more telephones
Speakerphone
Voicemail
High-speed Internet access
Dataport
Individual air conditioning control
24-hour concierge
In-room safe
Safe large enough for small laptop computer
Morning newspaper
Rollaways upon request
Crib upon request
Mineral water upon request
Yoga mat upon request
Maximum guests per room: 3

2) Hyatt Twin

Price: Php 7,225 - Php 10,130



Room Amenities:

Robes
Walk-in shower
Hairdryer
Iron/ironing board
24-hour room service
Minibar
Coffee maker
40" or larger TV
Cable/satellite TV channels
Video on demand
Hyatt Stereo iPod docking station
iPod docking station also functions as alarm clock
Three or more telephones
Speakerphone
Voicemail
High-speed Internet access
Dataport

Individual air conditioning control
24-hour concierge
In-room safe
Safe large enough for small laptop computer
Morning newspaper
Rollaways upon request
Crib upon request
Mineral water upon request
Yoga mat upon request
Maximum guests per room: 3

3) Hyatt Deluxe King

Price: Php 7,725 – Php 10,630



Room Amenities:

Robes
Marble bath
Spa tub
Walk-in shower
Hairdryer
Iron/ironing board
24-hour room service
Minibar
Coffee maker
40" or larger TV
Cable/satellite TV channels
Video on demand
Hyatt Stereo iPod docking station
iPod docking station also functions as alarm clock
Three or more telephones
Speakerphone
Voicemail
High-speed Internet access
Dataport
Individual air conditioning control
24-hour concierge
In-room safe

Safe large enough for small laptop computer
Morning newspaper
Rollaways upon request
Crib upon request
Mineral water upon request
Yoga mat upon request
Maximum guests per room: 3

4) Hyatt Deluxe Twin

Price: Php 7,725 – Php 10,630



Room Amenities:

Robes
Marble bath
Spa tub
Walk-in shower
Hairdryer
Iron/ironing board
24-hour room service
Minibar
Coffee maker
40" or larger TV
Cable/satellite TV channels
Video on demand
Hyatt Stereo iPod docking station
iPod docking station also functions as alarm clock
Three or more telephones
Speakerphone
Voicemail
High-speed Internet access
Dataport
Individual air conditioning control
24-hour concierge
In-room safe
Safe large enough for small laptop computer
Morning newspaper

Rollaways upon request
Crib upon request
Mineral water upon request
Yoga mat upon request
Maximum guests per room: 3

5) Club King

Price: Php 9,725 – Php 12,630



Room Amenities:

Robes
Marble bath
Spa tub
Walk-in shower
Hairdryer
Iron/ironing board
24-hour room service
Minibar
Coffee maker
40" or larger TV
Cable/satellite TV channels
Video on demand
Hyatt Stereo iPod docking station
iPod docking station also functions as alarm clock
Three or more telephones
Speakerphone
Voicemail
High-speed Internet access
Dataport
Individual air conditioning control
24-hour concierge
In-room safe
Safe large enough for small laptop computer
Morning newspaper
Rollaways upon request
Crib upon request
Mineral water upon request

Yoga mat upon request
Maximum guests per room: 3

6) Club Twin

Price: Php 9,725 – Php 12,630



Room Amenities:

- Robes
- Marble bath
- Spa tub
- Walk-in shower
- Hairdryer
- Iron/ironing board
- 24-hour room service
- Minibar
- Coffee maker
- 40" or larger TV
- Cable/satellite TV channels
- Video on demand
- Hyatt Stereo iPod docking station
- iPod docking station also functions as alarm clock
- Three or more telephones
- Speakerphone
- Voicemail
- High-speed Internet access
- Dataport
- Individual air conditioning control
- 24-hour concierge
- In-room safe
- Safe large enough for small laptop computer
- Morning newspaper
- Rollaways upon request
- Crib upon request
- Mineral water upon request
- Yoga mat upon request
- Maximum guests per room: 3

7) Bay View Deluxe

Price: Php 10,725 – Php 13,630



Room Amenities:

- Robes
- Marble bath
- Spa tub
- Walk-in shower
- Hairdryer
- Iron/ironing board
- 24-hour room service
- Minibar
- Coffee maker
- 40" or larger TV
- Cable/satellite TV channels
- Video on demand
- Hyatt Stereo iPod docking station
- iPod docking station also functions as alarm clock
- Three or more telephones
- Speakerphone
- Voicemail
- High-speed Internet access
- Dataport
- Individual air conditioning control
- 24-hour concierge
- In-room safe
- Safe large enough for small laptop computer
- Morning newspaper
- Rollaways upon request
- Crib upon request
- Mineral water upon request
- Yoga mat upon request
- Maximum guests per room: 3

8) Aqua Site

Price: Php 11,725 - Php 14,630



Room Amenities:

- Robes
- Marble bath
- Walk-in shower
- Spa tub
- Hairdryer
- Iron/ironing board
- 24-hour room service
- Minibar
- Coffee maker
- 55" TV
- Cable/satellite TV channels
- Video on demand
- Hyatt Stereo iPod docking station
- iPod docking station also functions as alarm clock
- Three or more telephones
- Speakerphone
- Voicemail
- High-speed Internet access
- Dataport
- Individual air conditioning control
- 24-hour concierge
- In-room safe
- Safe large enough for small laptop computer
- Morning newspaper
- Rollaways upon request
- Crib upon request
- Mineral water upon request
- Yoga mat upon request
- Maximum guests per room: 3

Appendix D

Resorts World Manila Restaurants:

Ginzadon

Type of cuisine: Japanese and Korean

Budget: P500 - P999

Ambiance: Casual

Cash, credit card, Points

For reservations:

Operating Hours:

Daily

Lunch: 11 AM to 3 PM

Dinner: 5 PM to 12MN

Location:

2F Maxims Hotel



The Terrace

Type of cuisine: Mediterranean

Budget: P800++

Seating capacity:

150

Ambiance:

Fine Dining

Payment options:

Cash, Credit Card, Points

Operating Hours:

Daily

Breakfast: 6 AM to 10 AM

All-day Dining: 10 AM to 3 AM

Location:

5F Maxims Hotel



Passion

Type of cuisine: Cantonese

Budget: P500-800

Seating capacity:

400

Ambiance:

Fine dining

Payment options:

Cash, Credit Card, Points

For reservations:

Call +63 (2) 908 8875

Operating Hours

Daily

Lunch 11AM to 2:30PM

Dinner 6PM to 10PM

Location:

2F Maxims Hotel



Prosperity Court

Ambiance:

Casual

Budget: P300-P500

Payment options:

Cash, credit card, Points

For Reservations:

Call +63 (2) 908 8003

Operating hours:

Mondays, Tuesdays, Thursdays and Sunday

10 AM to 2 AM

Wednesdays, Fridays, Saturdays

10 AM to 6 AM

Location:

2F Gaming Area



Cafe Maxims

Ambiance:

Budget: P150-300

Payment options:

Cash, credit card, Points

For Reservations:

Call +63 (2) 908 8885

Operating hours:

Sunday-Wednesday 7 AM to 12 MN

Thursday-Saturday 7 AM to 2 AM

Location: GF Maxims Hotel



Franks

Type of Cuisine: American

Budget: P200 - P499

Seating Capacity:

64

Ambiance:

Casual

Payment options:

Cash, credit card, Points

Operating hours:

Daily 10 AM to 4 AM

Location:

GF Gaming Area



Victoria Harbour Café

Type of Cuisine: Chinese

Budget: P200 - P499

Ambiance:

Casual

Payment options:

Cash, credit card, Points

Operating hours:

Daily, 10AM to 6 AM

Location:

GF Gaming Area



Bar 360

Budget: P300-500

Seating Capacity:

200

Ambiance:

Casual

Operating Hours:

Monday to Sunday, 4pm - 5am

**House Manila**

Ambiance:

Casual

Budget: P500++

Operating Hours:

Wednesday to Saturday 9pm onwards

For Inquiries & Reservations:

Day: 0915-9657715

Night: 0916-6387666

reservation@housemanila.com

housemanilaph@gmail.com

Location:

Ground Floor, Remington Hotel Newport Blvd. Newport City



Solaire Restaurants:

Yakumi

Type of cuisine: Japanese

Budget: P500 - P999

Operating Hours

Lunch

11:30 AM – 3:00 PM

Dinner

6:00 PM – 1:00 AM



Finestra

Type of cuisine: Italian

Budget: P500 - P999

Operating Hours

Dinner

Sunday to Thursday

6:00 PM–12:00 Midnight

Friday and Saturday

6:00 PM-12:00 Midnight

Bar

6:00 PM-12:00 Midnight



Red Lantern

Type of cuisine: Chinese

Budget: P500 - P999

Operating Hours

Lunch

Monday to Friday

11:30 AM–3:00 PM

Saturday and Sunday

10:30 AM–4:00 PM

Dinner

Monday to Sunday

6:00 PM – 1:00 AM



Fresh

Type of Cuisine: International Buffet

Budget: P1000 & Up

Operating Hours

Breakfast Buffet

Monday to Sunday

6:30 AM – 11:00 AM

Brunch

Sunday

12:00 Noon – 3:30 PM

Dinner Buffet

Monday to Sunday

5:30 PM – 11:00 PM



Lucky Noodles

Type of Cuisine: Asian

Budget: P500 - P999



Food Court

Type of Cuisine: Asian and Western

Budget: P150-300

Operating Hours

(Breakfast)

Patisserie: Sun. to Thurs. 7:00 AM – 2:00 AM / Fri. and Sat. 7:00 AM – 3:00 AM

(Lunch andd Dinner)

Five other outlets: Sun. to Thurs. 10:00 AM – 2:00 AM / Fri. and Sat. 10:00 AM – 3:00 AM



Strip Steakhouse

Cuisine: Western

Budget: P2,000 up

Open from Tuesday to Sunday



City of Dreams Restaurants:

Nobu Restaurant

Type of Cuisine: Japanese

Level 1 Nobu South Tower

Aseana Boulevard corner Macapagal Avenue Brgy. Tambo, Paranaque City

Other Details

Budget

P1000 & Up



The Tasting Room

Type of Cuisine: European, International
Ground Floor, Crown Towers Hotel Lobby

Other Details

Budget

P1000 & Up

Website

The Tasting Room



Crystal Dragon

Type of Cuisine: Chinese (Cantonese)

Upper Ground Floor

Crown Towers, Tower 1

691-7782

Other Details

Budget

P1000 & Up



Red Ginger

Type of Cuisine: Southeast Asian

Other Details

Budget

P500 - P999



Noodl8

Type of Cuisine: ASIAN

Ground Floor

North Gaming Area

Other Details

Budget

P500 - P999



The Hyatt Café (Hyatt City of Dreams Manila)

Type of Cuisine: International

Other Details

Budget

P1000 & Up

Website

The Hyatt Café



Breezes

Bar

Other Details

Budget

P500 - P999



Wave

BAR

Other Details

Budget

P500 - P999

Crystal Lounge

Type of Cuisine: BAR, International

Other Details

Budget

P500 - P999

Nobu Tea House (Nobu Hotel Manila)

Types of Cuisine: CAKES & PASTRIES, INTERNATIONAL

Other Details

Budget

P500 - P999



Café Society

Coffee; International

Other Details

Budget

P500 - P999



Taipei 101 Ding Xian Manila Gourmet Restaurant

Type of Cuisine: ASIAN, TAIWANESE

Other Details

Budget

P1000 & Up



Erwin's Gastrobar

Other Details

Budget

P500 - P999



O Kitchen Oriental Kitchen

Type of Cuisine: Asian; Korean

Other Details

Budget

P500 - P999



Prego Ristorante Italiano

Type of Cuisine: Italian

Other Details

Budget

P1000 & Up



Apu Authentic Filipino Cuisine

Type of Cuisine: Filipino

Other Details

Budget

P500 - P999



Appendix E

SHREK

SHREK'S SWAMP STOMP



Get ready for an ogre the top experience as you tour Shrek's swamp house. Shrek is home to greet you, but he can't seem to find his keys and needs your help to look for them. Just be sure to stay away from his outhouse or you just might get an unpleasant surprise.

GINGY'S KITCHEN



At Gingy's Kitchen, you'll learn how to make a gingerbread man from Gingy himself! Just don't be surprised if Shrek and Donkey catch a whiff of your delicious treats and make an appearance too!

HOW TO TRAIN YOUR DRAGON

HOW TO FLY YOUR DRAGON



In Berk, you're only as fast as the dragon you ride. Join Hiccup on his quest to find dragons of all shapes and sizes. You'll search Hiccup's collection of handcrafted dragon parts to create your own unique dragon and fly it! Will your dragon be able to move like a Gronckle or soar like a Speed Stinger?

MADAGASCAR

WHATEVER FLOATS YOUR BOAT



The Penguins of Madagascar need your help to create a sound seafaring vessel! Joining Skipper, Private, Rico, and Kowalski on their next operation, you will not only assemble your very own boat, you'll also sail it down river! But be careful There just may be a few obstacles along the way.

AFRO CIRCUS



The Afro Circus has come to town! Dive into a world of foam and fun as you join the Alex, Marty, Melman, and Gloria in this amazing multilevel play area.

DINOTRUX

DINOTRUX



Join the DinoTrux at this construction site millions of years in the making. Learn how to build and pilot your very own Reptools. Then enlist the support of Ty and the other DinoTrux to create a world unlike any other!

DREAMWORKS

DREAMSTUDIO



There's no dream too big for the Dream Studio! You're in the director's chair as your favorite DreamWorks characters help you make your own animated film!

DREAMTALES LIBRARY



Storytelling comes to life as some of your favorite DreamWorks characters take the stage in a puppet show of their own!

DREAMTHEATRE



Join some of your favorite DreamWorks characters in DreamTheater! You'll be part of the story in a unique 4-D experience that allows you to FEEL the excitement!

Appendix F

Resorts World Manila (Travellers International Hotel Group, Inc.) Financial Statements

TRAVELLERS INTERNATIONAL HOTEL GROUP, INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2013 AND 2012
(With Corresponding Figures as of January 1, 2012)
(Amounts in Philippine Pesos)

	Notes	December 31, 2013	December 31, 2012 (As Restated – see Note 2)	January 1, 2012 (As Restated – see Note 2)
<u>A S S E T S</u>				
CURRENT ASSETS				
Cash and cash equivalents	5	P 25,775,504,641	P 16,913,702,429	P 18,307,686,647
Trade and other receivables	6	3,043,280,454	2,414,802,453	1,862,385,367
Advances to related parties	21	160,722,254	188,973,468	127,244,189
Inventories	7	207,242,030	145,565,733	123,373,203
Prepayments and other current assets	8	284,945,836	256,675,729	198,506,627
Total Current Assets		29,471,695,215	19,919,719,812	20,619,196,033
NON-CURRENT ASSETS				
Available-for-sale financial assets	26	49,880,000	40,570,000	27,470,000
Investments in associates	9	156,250,000	156,250,000	156,250,000
Property and equipment - net	10	29,200,648,007	25,808,488,191	22,797,030,820
Investment property - net	11	1,670,869,491	1,393,990,450	1,446,111,040
Deferred tax assets	20	12,437,366	15,304,792	10,927,287
Other non-current assets	12	663,955,473	632,458,075	538,393,863
Total Non-current Assets		31,754,040,337	28,047,061,508	24,976,183,010
TOTAL ASSETS		P 61,225,735,552	P 47,966,781,320	P 45,595,379,043
<u>LIABILITIES AND EQUITY</u>				
CURRENT LIABILITIES				
Interest-bearing loans and borrowings	13	P 1,603,268,951	P 2,631,814,400	P 2,702,958,427
Trade and other payables	14	7,312,519,510	5,430,304,557	5,291,107,260
Dividends payable	22	1,299,210,000	-	-
Advances from related parties	21	161,969,303	21,552,014	3,953,322
Income tax payable		5,769,875	8,040,450	6,596,788
Total Current Liabilities		10,382,737,639	8,091,711,421	8,004,615,797
NON-CURRENT LIABILITIES				
Interest-bearing loans and borrowings	13	2,968,477,555	4,524,481,108	4,636,629,523
Notes payable	15	13,095,218,012	12,098,888,653	12,848,121,514
Derivative liability	15	1,145,961,938	1,246,123,668	1,163,772,181
Retirement benefit obligation	19	83,677,770	102,951,396	77,294,177
Other non-current liabilities	21	121,818,390	665,820,307	90,647,284
Total Non-current Liabilities		17,415,153,665	18,638,265,132	18,816,464,679
Total Liabilities		27,797,891,304	26,729,976,553	26,821,080,476
EQUITY				
Capital stock	22	10,000,000,000	10,000,000,000	10,000,000,000
Additional paid-in capital	22	22,417,157,066	5,821,627,500	5,821,627,500
Treasury shares, at cost	22	(8,324,412,515)	(8,584,100,000)	(4,300,000,000)
Revaluation reserves	26	46,604,602	10,388,665	(2,001,335)
Retained earnings	22	9,288,495,095	13,988,888,602	7,254,672,402
Total Equity		33,427,844,248	21,236,804,767	18,774,298,567
TOTAL LIABILITIES AND EQUITY		P 61,225,735,552	P 47,966,781,320	P 45,595,379,043

See Notes to Consolidated Financial Statements.

TRAVELLERS INTERNATIONAL HOTEL GROUP, INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2013, 2012 AND 2011
(Amounts in Philippine Pesos)

	Notes	2013	2012 (As Restated – see Note 2)	2011 (As Restated – see Note 2)
NET REVENUES				
Gaming	2, 21	P 30,003,598,507	P 28,058,258,093	P 25,427,754,672
Non-gaming:				
Hotel, food, beverage and others	2	2,502,498,641	2,138,225,200	1,908,907,525
Other operating income	17	875,560,158	880,710,104	745,548,914
		<u>33,381,657,306</u>	<u>31,077,193,397</u>	<u>28,082,211,111</u>
Less: Promotional allowance	2	<u>2,533,628,373</u>	<u>1,687,446,005</u>	<u>1,407,390,806</u>
		<u>30,848,028,933</u>	<u>29,389,747,392</u>	<u>26,674,820,305</u>
DIRECT COSTS	16	<u>12,107,719,504</u>	<u>10,111,138,294</u>	<u>9,664,618,548</u>
GROSS PROFIT		<u>18,740,309,429</u>	<u>19,278,609,098</u>	<u>17,010,201,757</u>
GENERAL AND ADMINISTRATIVE EXPENSES	16	<u>14,123,148,656</u>	<u>11,818,861,493</u>	<u>9,807,179,846</u>
OPERATING PROFIT		<u>4,617,160,773</u>	<u>7,459,747,605</u>	<u>7,203,021,911</u>
OTHER INCOME (CHARGES)	18			
Finance costs		(2,036,794,564)	(1,430,118,362)	(2,830,424,091)
Finance income		<u>225,815,470</u>	<u>772,741,044</u>	<u>549,340,090</u>
		<u>(1,810,979,094)</u>	<u>(657,377,318)</u>	<u>(2,281,084,001)</u>
PROFIT BEFORE TAX		<u>2,806,181,679</u>	<u>6,802,370,287</u>	<u>4,921,937,910</u>
TAX EXPENSE	20	<u>66,665,186</u>	<u>68,154,087</u>	<u>97,694,553</u>
NET PROFIT FOR THE YEAR		<u>2,739,516,493</u>	<u>6,734,216,200</u>	<u>4,824,243,357</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will not be reclassified subsequently to profit or loss				
Actuarial gain (loss) on remeasurement of retirement benefit obligation	19	49,336,099	-	(6,779,847)
Tax income (expense)	20	(13,362,162)	-	1,252,162
		<u>35,973,937</u>	<u>-</u>	<u>(5,527,685)</u>
Item that will be reclassified subsequently to profit or loss				
Net unrealized fair value gains (losses) on available-for-sale financial assets	26	<u>242,000</u>	<u>12,390,000</u>	<u>(1,473,650)</u>
		<u>36,215,937</u>	<u>12,390,000</u>	<u>(7,001,335)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>P 2,775,732,430</u>	<u>P 6,746,606,200</u>	<u>P 4,817,242,022</u>
Earnings Per Share :	28			
Basic		<u>P 0.31</u>	<u>P 6.73</u>	<u>P 4.82</u>
Diluted		<u>P 0.19</u>	<u>P 6.73</u>	<u>P 4.82</u>

See Notes to Consolidated Financial Statements.

TRAVELLERS INTERNATIONAL HOTEL GROUP, INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2013, 2012 AND 2011
(Amounts in Philippine Pesos)

	Notes	Capital Stock	Additional Paid-in Capital	Treasury Shares	Revaluation Reserves	Retained Earnings	Total
Balance at January 1, 2013							
As previously reported		P 10,000,000,000	P 5,821,627,500	(P 8,584,100,000)	P 15,916,350	P 14,003,179,419	P 21,256,623,269
Effect of adoption of PAS 19	2	-	-	-	(5,527,685)	(14,290,817)	(19,818,502)
As restated		10,000,000,000	5,821,627,500	(8,584,100,000)	10,388,665	13,988,888,602	21,236,804,767
Issuances during the year	22	-	16,595,529,566	259,687,485	-	-	16,855,217,051
Cash dividends	22	-	-	-	-	(7,439,910,000)	(7,439,910,000)
Total comprehensive income for the year		-	-	-	36,215,937	2,739,516,493	2,775,732,430
Balance at December 31, 2013		<u>P 10,000,000,000</u>	<u>P 22,417,157,066</u>	<u>(P 8,324,412,515)</u>	<u>P 46,604,602</u>	<u>P 9,288,495,095</u>	<u>P 33,427,844,248</u>
Balance at January 1, 2012							
As previously reported		P 10,000,000,000	P 5,821,627,500	(P 4,300,000,000)	P 3,526,350	P 7,268,963,219	P 18,794,117,069
Effect of adoption of PAS 19	2	-	-	-	(5,527,685)	(14,290,817)	(19,818,502)
As restated		10,000,000,000	5,821,627,500	(4,300,000,000)	(2,001,335)	7,254,672,402	18,774,298,567
Acquisitions during the year	22	-	-	(4,284,100,000)	-	-	(4,284,100,000)
Total comprehensive income for the year		-	-	-	12,390,000	6,734,216,200	6,746,606,200
Balance at December 31, 2012		<u>P 10,000,000,000</u>	<u>P 5,821,627,500</u>	<u>(P 8,584,100,000)</u>	<u>P 10,388,665</u>	<u>P 13,988,888,602</u>	<u>P 21,236,804,767</u>
Balance at January 1, 2011		P 10,000,000,000	P 5,821,627,500	(P 4,300,000,000)	P 5,000,000	P 2,430,429,045	P 13,957,056,545
Total comprehensive income for the year		-	-	-	(7,001,335)	4,824,243,357	4,817,242,022
Balance at December 31, 2011		<u>P 10,000,000,000</u>	<u>P 5,821,627,500</u>	<u>(P 4,300,000,000)</u>	<u>(P 2,001,335)</u>	<u>P 7,254,672,402</u>	<u>P 18,774,298,567</u>

See Notes to Consolidated Financial Statements.

TRAVELLERS INTERNATIONAL HOTEL GROUP, INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2013, 2012 AND 2011
(Amounts in Philippine Pesos)

	Notes	2013	2012 (As Restated – see Note 2)	2011 (As Restated – see Note 2)
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		P 2,806,181,679	P 6,802,370,287	P 4,921,937,910
Adjustments for:				
Depreciation	16	2,100,495,592	1,709,967,602	1,376,017,233
Interest expense	18	1,226,431,676	1,056,904,123	1,478,136,971
Unrealized foreign exchange losses (gains) - net		562,741,568	(646,605,773)	92,781,699
Interest income	18	(225,815,469)	(212,108,499)	(549,340,090)
Unrealized loss on interest rate swap	18	112,842,001	368,646,466	1,163,772,181
Gain on sale of property and equipment	17	(1,823,976)	-	-
Operating profit before working capital changes		6,581,053,071	9,079,174,206	8,483,305,904
Increase in trade and other receivables		(732,554,812)	(900,036,873)	(83,453,285)
Decrease (increase) in advances to related parties		28,251,214	(22,192,530)	(24,435,924)
Increase in inventories		(61,676,297)	(61,729,279)	(52,727,539)
Decrease (increase) in prepayments and other current assets		(42,813,577)	34,253,981	124,582,832
Increase in trade and other payables		2,150,116,950	310,384,060	877,750,983
Increase (decrease) in advances from related parties		140,417,289	17,598,692	(128,232,136)
Increase (decrease) in retirement benefit obligation		16,700,311	20,022,473	(12,410,597)
Increase (decrease) in other non-current liabilities		(544,001,917)	575,173,023	55,628,659
Cash generated from operations		7,535,492,232	9,052,647,753	9,240,008,897
Cash paid for income taxes		(64,948,221)	(55,107,326)	(78,658,219)
Net Cash From Operating Activities		7,470,544,011	8,997,540,427	9,161,350,678
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of property and equipment	10	(5,570,382,127)	(4,386,526,794)	(4,471,250,873)
Interest received		237,298,835	316,074,070	563,934,311
Increase in other non-current assets		(31,497,398)	(94,064,212)	(454,507,626)
Additional investments in available-for-sale financial assets		(9,068,000)	(710,000)	(2,443,650)
Additional investments in time deposits	5, 8	-	(108,403,687)	-
Acquisition of investments in an associate		-	-	(156,250,000)
Additions to investment property		-	-	(42,197,366)
Net Cash Used in Investing Activities		(5,373,648,690)	(4,273,630,623)	(4,562,715,204)
Balance Carried Forward		P 2,096,895,321	P 4,723,909,804	P 4,598,635,474

	Note	2013	2012 (As Restated – see Note 2)	2011 (As Restated – see Note 2)
<i>Balance Brought Forward</i>		P 2,096,895,321	P 4,723,909,804	P 4,598,635,474
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuances of shares of stock	22	16,780,217,051	-	-
Dividends paid	22	(6,140,700,000)	-	-
Repayments of interest-bearing loans and borrowings		(2,634,716,000)	(196,786,935)	(514,317,644)
Interest paid		(1,221,553,482)	(1,714,640,588)	(1,393,760,128)
Payments of derivative liability		(300,675,000)	(206,587,262)	-
Acquisition of treasury shares	22	-	(4,284,100,000)	(1,720,000,000)
Net Cash From (Used in) Financing Activities		6,482,572,569	(6,402,114,785)	(3,628,077,772)
Effects of Exchange Rates Changes on Cash and Cash Equivalents		282,334,322	284,220,763	(30,597,181)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		8,861,802,212	(1,393,984,218)	939,960,521
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		16,913,702,429	18,307,686,647	17,367,726,126
CASH AND CASH EQUIVALENTS AT END OF YEAR		P 25,775,504,641	P 16,913,702,429	P 18,307,686,647

Supplemental Information on Non-Cash Investing Activities:

- 1) The Group capitalized borrowing costs amounting to P222.4 million, P282.8 million, P74.0 million in 2013, 2012 and 2011, respectively, representing the actual borrowing costs, net of related investment income, incurred on loans obtained for the development of a portion of the Group's properties (see Note 10).
- 2) In 2013, the Group transferred certain Property and Equipment used for vehicle parking spaces amounting to P339.6 million to Investment Property (see Notes 10 and 11).
- 3) In 2013, certain portion of construction in progress amounting to P235.5 million were transferred to a related party at cost, the outstanding liability and receivable of which remain unpaid as of December 31, 2013 (see Notes 10 and 21.8).
- 4) Also in 2013, the Group sold certain transportation equipment to a third party for a total consideration of P25.0 million, which remains unpaid as of December 31, 2013 (see Note 10).

See Notes to Consolidated Financial Statements.

TRAVELLERS INTERNATIONAL HOTEL GROUP, INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2014 AND 2013
(Amounts in Philippine Pesos)

	Notes	2014	2013
<u>A S S E T S</u>			
CURRENT ASSETS			
Cash and cash equivalents	5	P 17,856,400,410	P 25,775,504,641
Trade and other receivables	6	4,278,725,616	3,043,280,454
Advances to related parties	22	159,878,381	160,722,254
Inventories	7	77,050,033	207,242,030
Prepayments and other current assets	8	706,879,685	284,945,836
Total Current Assets		<u>23,078,934,125</u>	<u>29,471,695,215</u>
NON-CURRENT ASSETS			
Available-for-sale financial assets	27	63,160,000	49,880,000
Investments in associates	9	953,079,580	156,250,000
Advances for future investment	10	2,588,235,294	-
Property and equipment - net	11	33,700,213,214	29,200,648,007
Investment property - net	12	1,608,123,984	1,670,869,491
Deferred tax assets	21	161,586,746	12,437,366
Other non-current assets	13	1,728,139,847	663,955,473
Total Non-current Assets		<u>40,802,538,665</u>	<u>31,754,040,337</u>
TOTAL ASSETS		<u>P 63,881,472,790</u>	<u>P 61,225,735,552</u>
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Interest-bearing loans and borrowings	14	P -	P 1,603,268,951
Trade and other payables	15	8,300,220,049	7,312,519,510
Advances from related parties	22	1,913,260,919	161,969,303
Dividends payable	23	-	1,299,210,000
Income tax payable		5,337,998	5,769,875
Total Current Liabilities		<u>10,218,818,966</u>	<u>10,382,737,639</u>
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	14	216,923,061	2,968,477,555
Notes payable	16	13,209,060,653	13,095,218,012
Derivative liability	16	869,818,108	1,145,961,938
Retirement benefit obligation	20	118,813,151	83,677,770
Other non-current liabilities	22	146,729,480	121,818,390
Total Non-current Liabilities		<u>14,561,344,453</u>	<u>17,415,153,665</u>
Total Liabilities		<u>24,780,163,419</u>	<u>27,797,891,304</u>
EQUITY			
Equity attributable to parent company			
Capital stock	23	10,000,000,000	10,000,000,000
Additional paid-in capital	23	22,417,157,066	22,417,157,066
Treasury shares, at cost	23	(8,324,412,515)	(8,324,412,515)
Revaluation reserves	23	39,230,463	46,604,602
Retained earnings	23	14,733,381,929	9,288,495,095
Total equity attributable to shareholders of the parent company		<u>38,865,356,943</u>	<u>33,427,844,248</u>
Non-controlling interests	2	235,952,429	-
Total Equity		<u>39,101,309,371</u>	<u>33,427,844,248</u>
TOTAL LIABILITIES AND EQUITY		<u>P 63,881,472,790</u>	<u>P 61,225,735,552</u>

See Notes to Consolidated Financial Statements.

TRAVELLERS INTERNATIONAL HOTEL GROUP, INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012
(Amounts in Philippine Pesos)

	Notes	2014	2013	2012
NET REVENUES				
Gaming	2, 22	P 28,376,733,234	P 30,003,598,507	P 28,058,258,093
Non-gaming:				
Hotel, food, beverage and others	2	2,264,169,550	2,502,498,641	2,138,225,200
Other operating income	18	922,373,692	875,560,158	880,710,104
		31,563,276,476	33,381,657,306	31,077,193,397
Less promotional allowance	2	2,502,976,854	2,533,628,373	1,687,446,005
		29,060,299,622	30,848,028,933	29,389,747,392
DIRECT COSTS	17	10,755,169,639	12,107,719,504	10,111,138,294
GROSS PROFIT		18,305,129,983	18,740,309,429	19,278,609,098
GENERAL AND ADMINISTRATIVE EXPENSES	17	11,907,758,971	14,123,148,656	11,818,861,493
OPERATING PROFIT		6,397,371,012	4,617,160,773	7,459,747,605
OTHER INCOME (CHARGES)				
Finance costs	19	(1,026,706,225)	(2,036,794,564)	(1,430,118,362)
Finance income	19	190,144,735	225,815,470	772,741,044
Share in net loss of an associate	2, 9	(40,168,131)	-	-
		(876,729,621)	(1,810,979,094)	(657,377,318)
PROFIT BEFORE TAX		5,520,641,391	2,806,181,679	6,802,370,287
TAX EXPENSE	21	75,568,162	66,665,186	68,154,087
NET PROFIT FOR THE YEAR		5,445,073,229	2,739,516,493	6,734,216,200
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will not be reclassified subsequently to profit or loss				
Actuarial gain (loss) on remeasurement of retirement benefit obligation	20	(5,687,010)	49,336,099	-
Tax income (expense)	21	1,532,871	(13,362,162)	-
	23	(4,154,139)	35,973,937	-
Item that will be reclassified subsequently to profit or loss				
Net unrealized fair value gains (losses) on available-for-sale financial assets	23	(3,220,000)	242,000	12,390,000
		(7,374,139)	36,215,937	12,390,000
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		P 5,437,699,090	P 2,775,732,430	P 6,746,606,200
Net profit attributable to:				
Parent company's shareholders		P 5,444,886,834	P 2,739,516,493	P 6,734,216,200
Non-controlling interests		186,395	-	-
		P 5,445,073,229	P 2,739,516,493	P 6,734,216,200
Total comprehensive income attributable to:				
Parent company's shareholders		P 5,437,512,695	P 2,775,732,430	P 6,746,606,200
Non-controlling interests		186,395	-	-
		P 5,437,699,090	P 2,775,732,430	P 6,746,606,200
Earnings Per Share:	29			
Basic		P 0.35	P 0.31	P 6.73
Diluted		P 0.35	P 0.19	P 6.73

See Notes to Consolidated Financial Statements.

TRAVELLERS INTERNATIONAL HOTEL GROUP, INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012
(Amounts in Philippine Pesos)

Notes	Attributable to Shareholders of Parent Company						Non-controlling Interests	Total
	Capital Stock	Additional Paid-in Capital	Treasury Shares	Revaluation Reserves	Retained Earnings	Total		
Balance at January 1, 2014	P 10,000,000,000	P 22,417,157,066	(P 8,324,412,515)	P 46,604,602	P 9,288,495,095	P 33,427,844,248	p -	P 21,256,623,269
Non-controlling interest in newly-acquired subsidiary	-	-	-	-	-	-	235,766,033	235,766,033
Total comprehensive income for the year	-	-	-	(7,374,139)	5,444,886,834	5,437,512,695	186,395	5,437,699,090
Balance at December 31, 2014	<u>P 10,000,000,000</u>	<u>P 22,417,157,066</u>	<u>(P 8,324,412,515)</u>	<u>P 39,230,463</u>	<u>P 14,733,381,929</u>	<u>P 38,865,356,943</u>	<u>P 235,952,429</u>	<u>P 39,101,309,371</u>
Balance at January 1, 2013	P 10,000,000,000	P 5,821,627,500	(P 8,584,100,000)	P 10,388,665	P 13,988,888,602	P 21,236,804,767	p -	P 21,236,804,767
Issuances during the year	-	16,595,529,566	259,687,485	-	-	16,855,217,051	-	16,855,217,051
Cash dividends	-	-	-	-	(7,439,910,000)	(7,439,910,000)	-	(7,439,910,000)
Total comprehensive income for the year	-	-	-	36,215,937	2,739,516,493	2,775,732,430	-	2,775,732,430
Balance at December 31, 2013	<u>P 10,000,000,000</u>	<u>P 22,417,157,066</u>	<u>(P 8,324,412,515)</u>	<u>P 46,604,602</u>	<u>P 9,288,495,095</u>	<u>P 33,427,844,248</u>	<u>p -</u>	<u>P 33,427,844,248</u>
Balance at January 1, 2012	P 10,000,000,000	P 5,821,627,500	(P 4,300,000,000)	(P 2,001,335)	P 7,254,672,402	P 18,774,298,567	p -	P 18,774,298,567
Acquisitions during the year	-	-	(4,284,100,000)	-	-	(4,284,100,000)	-	(4,284,100,000)
Total comprehensive income for the year	-	-	-	12,390,000	6,734,216,200	6,746,606,200	-	6,746,606,200
Balance at December 31, 2012	<u>P 10,000,000,000</u>	<u>P 5,821,627,500</u>	<u>(P 8,584,100,000)</u>	<u>P 10,388,665</u>	<u>P 13,988,888,602</u>	<u>P 21,236,804,767</u>	<u>p -</u>	<u>P 21,236,804,767</u>

See Notes to Consolidated Financial Statements.

TRAVELLERS INTERNATIONAL HOTEL GROUP, INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012
(Amounts in Philippine Pesos)

	Notes	2014	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		P 5,520,641,391	P 2,806,181,679	P 6,802,370,287
Adjustments for:				
Depreciation	17	1,516,728,535	2,100,495,592	1,709,967,602
Interest expense	19	947,384,181	1,226,431,676	1,056,904,123
Interest income	19	(190,144,735)	(225,815,469)	(212,108,499)
Loss (gain) on sale of property and equipment - net	11	75,575,223	(1,823,976)	-
Share in net loss of an associate	9	40,168,131	-	-
Unrealized loss on interest rate swap	19	36,405,850	112,842,001	368,646,466
Unrealized foreign exchange losses (gains) - net		31,469,552	562,741,568	(646,605,773)
Reversal of accumulated share of net losses in an associate	18	(5,000,000)	-	-
Operating profit before working capital changes		7,973,228,128	6,581,053,071	9,079,174,206
Increase in trade and other receivables		(977,107,622)	(732,554,812)	(900,036,873)
Decrease (increase) in advances to related parties		843,873	28,251,214	(22,192,530)
Decrease (increase) in inventories		130,191,997	(61,676,297)	(61,729,279)
Decrease (increase) in prepayments and other current assets		(421,933,849)	(42,813,577)	34,253,981
Increase in trade and other payables		814,259,299	2,150,116,950	310,384,060
Increase in advances from related parties		1,751,291,616	140,417,289	17,598,692
Increase in retirement benefit obligation		30,981,242	16,700,311	20,022,473
Increase (decrease) in other non-current liabilities		24,945,726	(544,001,917)	575,173,023
Cash generated from operations		9,326,700,410	7,535,492,232	9,052,647,753
Cash paid for income taxes		(225,184,055)	(64,948,221)	(55,107,326)
Net Cash From Operating Activities		9,101,516,355	7,470,544,011	8,997,540,427
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of property and equipment	11	(6,344,662,220)	(5,570,382,127)	(4,386,526,794)
Advances for future investment	10	(2,588,235,294)	-	-
Increase in other non-current assets		(1,064,184,374)	(31,497,398)	(94,064,212)
Additional investments in an associate	9	(836,997,711)	-	-
Proceeds from sale of property and equipment	11	640,606,867	-	-
Interest received		191,031,209	237,298,835	316,074,070
Additional investments in available-for-sale financial assets	27	(16,500,000)	(9,068,000)	(710,000)
Proceeds from sale of investment in an associate	9	5,000,000	-	-
Additional investments in time deposits	5, 8	-	-	(108,403,687)
Net Cash Used in Investing Activities		(10,013,941,523)	(5,373,648,690)	(4,273,630,623)
Balance Carried Forward		(P 912,425,168)	P 2,096,895,321	P 4,723,909,804

	Notes	2014	2013	2012
<i>Balance Brought Forward</i>		(P 912,425,168)	P 2,096,895,321	P 4,723,909,804
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayments of interest-bearing loans and borrowings		(4,417,124,800)	(2,634,716,000)	(196,786,935)
Dividends paid	23	(1,299,210,000)	(6,140,700,000)	-
Interest paid		(1,060,167,672)	(1,221,553,482)	(1,714,640,588)
Payments of derivative liability		(318,270,188)	(300,675,000)	(206,587,262)
Proceeds from issuances of shares of stock	23	-	16,780,217,051	-
Acquisition of treasury shares		-	-	(4,284,100,000)
Net Cash From (Used in) Financing Activities		(7,094,772,660)	6,482,572,569	(6,402,114,785)
EFFECTS OF EXCHANGE RATES CHANGES ON CASH AND CASH EQUIVALENTS		88,093,597	282,334,322	284,220,763
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(7,919,104,231)	8,861,802,212	(1,393,984,218)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		25,775,504,641	16,913,702,429	18,307,686,647
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>P 17,856,400,410</u>	<u>P 25,775,504,641</u>	<u>P 16,913,702,429</u>

Supplemental Information on Non-cash Investing Activities:

- 1) The Group capitalized borrowing costs amounting to P348.5 million, P222.4 million and P282.8 million in 2014, 2013 and 2012, respectively, representing the actual borrowing costs, net of related investment income, incurred on loans obtained for the development of a portion of the Group's properties (see Note 11).
- 2) In 2013, the Group transferred certain Property and Equipment used for vehicle parking spaces amounting to P339.6 million to Investment Property (see Notes 11 and 12).
- 3) In 2013, portion of construction in progress amounting to P235.5 million were transferred to a related party at cost, the outstanding liability and receivable of which remain unpaid as of December 31, 2013 and paid in 2014 (see Notes 11 and 22).
- 4) The Group sold certain transportation equipment to a third party for a total consideration of P23.5 million in 2014 and P25.0 million in 2013, which remain unpaid as of December 31, 2014 and 2013, respectively (see Note 11).

See Notes to Consolidated Financial Statements.

TRAVELLERS INTERNATIONAL HOTEL GROUP, INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014
(Amounts in Philippine Pesos)

	Notes	2015	2014
<u>A S S E T S</u>			
CURRENT ASSETS			
Cash and cash equivalents	5	P 12,301,196,776	P 17,856,400,410
Trade and other receivables	6	6,025,327,982	4,278,725,616
Advances to related parties	22	188,573,879	159,878,381
Inventories	7	146,526,016	77,050,033
Prepayments and other current assets	8	920,741,569	706,879,685
Total Current Assets		<u>19,582,366,222</u>	<u>23,078,934,125</u>
NON-CURRENT ASSETS			
Available-for-sale financial assets	27	63,680,000	63,160,000
Investments in associate and joint venture	9	1,415,228,090	953,079,580
Advances for future investment	10	4,088,235,294	2,588,235,294
Property and equipment - net	11	41,169,656,997	33,700,213,214
Investment property - net	12	1,545,378,477	1,608,123,984
Deferred tax assets	21	167,778,209	161,586,746
Other non-current assets - net	13	1,735,614,320	1,728,139,847
Total Non-current Assets		<u>50,185,571,387</u>	<u>40,802,538,665</u>
TOTAL ASSETS		<u>P 69,767,937,609</u>	<u>P 63,881,472,790</u>
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Interest-bearing loans and borrowings	14	P 221,808,235	p -
Trade and other payables	15	9,623,917,227	8,300,220,049
Advances from related parties	22	2,982,620,700	1,913,260,919
Income tax payable		-	5,337,998
Total Current Liabilities		<u>12,828,346,162</u>	<u>10,218,818,966</u>
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	14	-	216,923,061
Notes payable	16	14,021,596,999	13,209,060,653
Derivative liability	16	614,964,522	869,818,108
Retirement benefit obligation	20	128,463,198	118,813,151
Other non-current liabilities		154,165,026	146,729,480
Total Non-current Liabilities		<u>14,919,189,745</u>	<u>14,561,344,453</u>
Total Liabilities		<u>27,747,535,907</u>	<u>24,780,163,419</u>
EQUITY			
Equity attributable to parent company	23		
Capital stock		10,000,000,000	10,000,000,000
Additional paid-in capital		22,417,157,066	22,417,157,066
Treasury shares, at cost		(8,324,412,515)	(8,324,412,515)
Revaluation reserves		59,715,087	39,230,463
Retained earnings		17,635,760,420	14,733,381,929
Total equity attributable to shareholders of the parent company		41,788,220,058	38,865,356,943
Non-controlling interests	2, 9	232,181,644	235,952,428
Total Equity		<u>42,020,401,702</u>	<u>39,101,309,371</u>
TOTAL LIABILITIES AND EQUITY		<u>P 69,767,937,609</u>	<u>P 63,881,472,790</u>

See Notes to Consolidated Financial Statements.

TRAVELLERS INTERNATIONAL HOTEL GROUP, INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013
(Amounts in Philippine Pesos)

	Notes	2015	2014	2013
NET REVENUES				
Gaming	2, 22	P 24,216,681,861	P 28,376,733,234	P 30,003,598,507
Non-gaming:				
Hotel, food, beverage and others	2	2,468,610,922	2,264,169,550	2,502,498,641
Other operating income	18	1,034,396,124	922,373,692	875,560,158
		27,719,688,907	31,563,276,476	33,381,657,306
Less promotional allowances	2	3,117,567,390	2,502,976,854	2,533,628,373
		24,602,121,517	29,060,299,622	30,848,028,933
DIRECT COSTS	17	10,490,666,045	10,755,169,639	12,107,719,504
GROSS PROFIT		14,111,455,472	18,305,129,983	18,740,309,429
GENERAL AND ADMINISTRATIVE EXPENSES	17	9,352,463,240	11,907,758,971	14,123,148,656
OPERATING PROFIT		4,758,992,232	6,397,371,012	4,617,160,773
OTHER INCOME (CHARGES)				
Finance costs	19	(775,371,564)	(1,026,706,225)	(2,036,794,564)
Finance income	19	116,287,960	190,144,735	225,815,470
Share in net loss of an associate	2, 9	(32,929,706)	(40,168,131)	-
		(692,013,310)	(876,729,621)	(1,810,979,094)
PROFIT BEFORE TAX		4,066,978,922	5,520,641,391	2,806,181,679
TAX EXPENSE	21	49,370,190	75,568,162	66,665,186
NET PROFIT FOR THE YEAR		4,017,608,732	5,445,073,229	2,739,516,493
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will not be reclassified subsequently to profit or loss				
Actuarial gain (loss) on remeasurement of retirement benefit obligation	20	21,946,326	(5,687,010)	49,336,099
Tax income (expense)	21	(3,454,432)	1,532,871	(13,362,162)
		18,491,894	(4,154,139)	35,973,937
Item that will be reclassified subsequently to profit or loss				
Net unrealized fair value gains (losses) on available-for-sale financial assets	23, 27	1,992,730	(3,220,000)	242,000
	23	20,484,624	(7,374,139)	36,215,937
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		P 4,038,093,356	P 5,437,699,090	P 2,775,732,430
Net profit attributable to:				
Parent company's shareholders		P 4,021,379,516	P 5,444,886,834	P 2,739,516,493
Non-controlling interests		(3,770,784)	186,395	-
		P 4,017,608,732	P 5,445,073,229	P 2,739,516,493
Total comprehensive income attributable to:				
Parent company's shareholders		P 4,041,864,140	P 5,437,512,695	P 2,775,732,430
Non-controlling interests		(3,770,784)	186,395	-
		P 4,038,093,356	P 5,437,699,090	P 2,775,732,430
Earnings Per Share:	29			
Basic		P 0.26	P 0.35	P 0.31
Diluted		P 0.26	P 0.35	P 0.19

See Notes to Consolidated Financial Statements.

TRAVELLERS INTERNATIONAL HOTEL GROUP, INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013
(Amounts in Philippine Pesos)

Notes	Attributable to Shareholders of Parent Company						Non-controlling Interests	Total
	Capital Stock	Additional Paid-in Capital	Treasury Shares	Revaluation Reserves	Retained Earnings	Total		
Balance at January 1, 2015	P 10,000,000,000	P 22,417,157,066	(P 8,324,412,515)	P 39,230,463	P 14,733,381,929	P 38,865,356,943	P 235,952,428	P 39,101,309,371
Total comprehensive income for the year	23 -	-	-	20,484,624	4,021,379,516	4,041,864,140	(3,770,784)	4,038,093,356
Cash dividends	23 -	-	-	-	(1,119,001,025)	(1,119,001,025)	-	(1,119,001,025)
Balance at December 31, 2015	23 <u>P 10,000,000,000</u>	<u>P 22,417,157,066</u>	<u>(P 8,324,412,515)</u>	<u>P 59,715,087</u>	<u>P 17,635,760,420</u>	<u>P 41,788,220,058</u>	<u>P 232,181,644</u>	<u>P 42,020,401,702</u>
Balance at January 1, 2014	P 10,000,000,000	P 22,417,157,066	(P 8,324,412,515)	P 46,604,602	P 9,288,495,095	P 33,427,844,248	p -	P 33,427,844,248
Non-controlling interest in newly-acquired subsidiary	2 -	-	-	-	-	-	235,766,033	235,766,033
Total comprehensive income for the year	23 -	-	-	(7,374,139)	5,444,886,834	5,437,512,695	186,395	5,437,699,090
Balance at December 31, 2014	23 <u>P 10,000,000,000</u>	<u>P 22,417,157,066</u>	<u>(P 8,324,412,515)</u>	<u>P 39,230,463</u>	<u>P 14,733,381,929</u>	<u>P 38,865,356,943</u>	<u>P 235,952,428</u>	<u>P 39,101,309,371</u>
Balance at January 1, 2013	P 10,000,000,000	P 5,821,627,500	(P 8,584,100,000)	P 10,388,665	P 13,988,888,602	P 21,236,804,767	p -	P 21,236,804,767
Issuances during the year	23 -	16,595,529,566	259,687,485	-	-	16,855,217,051	-	16,855,217,051
Cash dividends	23 -	-	-	-	(7,439,910,000)	(7,439,910,000)	-	(7,439,910,000)
Total comprehensive income for the year	23 -	-	-	36,215,937	2,739,516,493	2,775,732,430	-	2,775,732,430
Balance at December 31, 2013	23 <u>P 10,000,000,000</u>	<u>P 22,417,157,066</u>	<u>(P 8,324,412,515)</u>	<u>P 46,604,602</u>	<u>P 9,288,495,095</u>	<u>P 33,427,844,248</u>	<u>P -</u>	<u>P 33,427,844,248</u>

See Notes to Consolidated Financial Statements.

TRAVELLERS INTERNATIONAL HOTEL GROUP, INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013
(Amounts in Philippine Pesos)

	Notes	2015	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		P 4,066,978,922	P 5,520,641,391	P 2,806,181,679
Adjustments for:				
Depreciation	17	1,402,874,562	1,516,728,535	2,100,495,592
Unrealized foreign exchange losses - net		547,769,984	31,469,552	562,741,568
Interest expense	19	194,532,794	947,384,181	1,226,431,676
Interest income	19	(116,287,960)	(190,144,735)	(225,815,470)
Share in net loss of an associate	9	32,929,706	40,168,131	-
Unrealized loss on interest rate swap	19	30,186,511	36,405,850	112,842,001
Loss (gain) on sale of property and equipment - net	11	-	75,575,223	(1,823,976)
Reversal of accumulated share of net losses in an associate	18	-	(5,000,000)	-
Operating profit before working capital changes		6,158,984,519	7,973,228,128	6,581,053,070
Increase in trade and other receivables		(1,750,030,290)	(977,107,622)	(732,554,812)
Decrease (increase) in advances to related parties		(28,695,498)	843,873	28,251,214
Decrease (increase) in inventories		(69,475,983)	130,191,997	(61,676,297)
Increase in prepayments and other current assets		(213,861,884)	(421,933,849)	(42,813,577)
Increase in trade and other payables		1,533,058,111	814,259,299	2,150,116,950
Increase in advances from related parties		1,069,359,781	1,751,291,616	140,417,289
Increase in retirement benefit obligation		28,141,941	30,981,242	16,700,311
Increase (decrease) in other non-current liabilities		7,435,546	24,945,726	(544,001,917)
Cash generated from operations		6,734,916,243	9,326,700,410	7,535,492,231
Cash paid for income taxes		(60,899,651)	(225,184,055)	(64,948,221)
Net Cash From Operating Activities		6,674,016,592	9,101,516,355	7,470,544,010
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of property and equipment	11	(7,818,860,070)	(6,344,662,220)	(5,570,382,127)
Increase in advances for future investment	10	(1,500,000,000)	(2,588,235,294)	-
Additional investments in associate and joint venture	9	(495,078,216)	(836,997,711)	-
Interest received		121,188,615	191,031,209	237,298,836
Proceeds from sale of property and equipment	11	29,665,804	640,606,867	-
Increase in other non-current assets		(7,474,473)	(1,064,184,374)	(31,497,398)
Additional investments in available-for-sale financial assets	27	-	(16,500,000)	(9,068,000)
Proceeds from sale of investment in an associate	9	-	5,000,000	-
Net Cash Used in Investing Activities		(9,670,558,340)	(10,013,941,523)	(5,373,648,689)
Balance Carried Forward		(P 2,996,541,748)	(P 912,425,168)	P 2,096,895,321

	Notes	2015	2014	2013
<i>Balance Brought Forward</i>		(P 2,996,541,748)	(P 912,425,168)	P 2,096,895,321
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest paid		(1,358,882,593)	(1,060,167,672)	(1,221,553,482)
Dividends paid	23	(1,119,001,025)	(1,299,210,000)	(6,140,700,000)
Payments of derivative liability	16	(324,351,375)	(318,270,188)	(300,675,000)
Repayments of interest-bearing loans and borrowings		-	(4,417,124,800)	(2,634,716,000)
Proceeds from issuances of shares of stock	23	-	-	16,780,217,051
Net Cash From (Used in) Financing Activities		(2,802,234,993)	(7,094,772,660)	6,482,572,569
EFFECTS OF EXCHANGE RATES CHANGES ON CASH AND CASH EQUIVALENTS		243,573,107	88,093,597	282,334,322
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(5,555,203,634)	(7,919,104,231)	8,861,802,212
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		17,856,400,410	25,775,504,641	16,913,702,429
CASH AND CASH EQUIVALENTS AT END OF YEAR		P 12,301,196,776	P 17,856,400,410	P 25,775,504,641

Supplemental Information on Non-cash Investing Activities:

- 1) The Group capitalized borrowing costs amounting to P1.0 billion, P348.5 million and P222.4 million in 2015, 2014 and 2013, respectively, representing the actual borrowing costs, net of related investment income, incurred on loans obtained for the development of a portion of the Group's properties (see Note 11).
- 2) The Group sold certain transportation equipment to third parties for a total consideration of P23.5 million in 2014 and P25.0 million in 2013, which remain unpaid as of December 31, 2014 and 2013, respectively (see Note 11). There was no such non-cash transaction in 2015.
- 3) In 2013, the Group transferred certain Property and Equipment used for vehicle parking spaces amounting to P339.6 million to Investment Property.
- 4) In 2013, portion of construction in progress amounting to P235.5 million were transferred to a related party at cost, the outstanding liability and receivable of which remain unpaid as of December 31, 2013 and subsequently paid in 2014 (see Note 22).

See Notes to Consolidated Financial Statements.

TRAVELLERS INTERNATIONAL HOTEL GROUP, INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2015
(With Comparative Figures for December 31, 2014)
(Amounts in Philippine Pesos)

	September 30, 2015 (Unaudited)	December 31, 2014 (Audited)
<u>A S S E T S</u>		
CURRENT ASSETS		
Cash and cash equivalents	P 13,929,083,711	P 17,856,400,410
Trade and other receivables	5,945,827,627	4,278,725,616
Advances to related parties	292,884,619	159,878,381
Inventories	128,050,468	77,050,033
Prepayments and other current assets	1,140,743,417	706,879,685
	<u>21,436,589,842</u>	<u>23,078,934,125</u>
Total Current Assets		
NON-CURRENT ASSETS		
Available-for-sale financial assets	61,387,270	63,160,000
Investments in associates	1,438,157,804	953,079,580
Advances for future investment	4,088,235,294	2,588,235,294
Property and equipment - net	38,528,699,763	33,700,213,214
Investment property - net	1,561,064,854	1,608,123,984
Deferred tax assets	164,548,977	161,586,746
Other non-current assets	1,687,104,418	1,728,139,848
	<u>47,529,198,380</u>	<u>40,802,538,666</u>
Total Non-current Assets		
TOTAL ASSETS	P 68,965,788,222	P 63,881,472,791
<u>LIABILITIES AND EQUITY</u>		
CURRENT LIABILITIES		
Trade and other payables	P 9,736,005,583	P 8,305,558,047
Advances from related parties	3,213,422,209	1,913,260,919
	<u>12,949,427,792</u>	<u>10,218,818,966</u>
Total Current Liabilities		
NON-CURRENT LIABILITIES		
Interest-bearing loans and borrowings	220,971,339	216,923,061
Notes payable	13,934,386,051	13,209,060,653
Derivative liability	775,567,438	869,818,108
Retirement benefit obligation	125,660,977	118,813,151
Other non-current liabilities	148,022,239	146,729,480
	<u>15,204,608,044</u>	<u>14,561,344,453</u>
Total Non-current Liabilities		
Total Liabilities	<u>28,154,035,836</u>	<u>24,780,163,419</u>
EQUITY		
Equity attributable to parent company		
Capital stock	10,000,000,000	10,000,000,000
Additional paid-in capital	22,417,157,066	22,417,157,066
Treasury stock	(8,324,412,515)	(8,324,412,515)
Revaluation reserves	38,930,463	39,230,463
Retained earnings	16,448,751,111	14,733,381,929
	<u>40,580,426,125</u>	<u>38,865,356,943</u>
Total equity attributable to shareholders of the parent company		
Non-controlling interests	231,326,261	235,952,429
	<u>40,811,752,386</u>	<u>39,101,309,372</u>
Total Equity		
TOTAL LIABILITIES AND EQUITY	P 68,965,788,222	P 63,881,472,791

See Selected Explanatory Notes to Consolidated Interim Financial Information.

TRAVELLERS INTERNATIONAL HOTEL GROUP, INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014
(Amounts in Philippine Pesos)
(Unaudited)

	Note	2015		2014	
		Year-to-date	Quarter	Year-to-date	Quarter
NET REVENUES					
Gaming	P	17,947,349,497	P 5,438,038,688	P 20,792,407,551	P 7,212,007,956
Non-gaming:					
Hotel, food, beverage and others		1,748,237,185	579,263,832	1,653,739,134	531,917,388
Other operating income		<u>739,884,864</u>	<u>266,430,509</u>	<u>807,044,520</u>	<u>240,383,609</u>
		20,435,471,546	6,283,733,029	23,253,191,205	7,984,308,953
Less: Promotional allowance		<u>2,486,877,059</u>	<u>810,850,091</u>	<u>1,561,165,300</u>	<u>710,663,745</u>
		17,948,594,487	5,472,882,938	21,692,025,905	7,273,645,208
DIRECT COSTS		<u>7,763,927,811</u>	<u>2,527,974,946</u>	<u>7,814,844,462</u>	<u>2,601,865,068</u>
GROSS PROFIT		10,184,666,676	2,944,907,992	13,877,181,443	4,671,780,140
GENERAL AND ADMINISTRATIVE EXPENSES		<u>6,255,989,992</u>	<u>1,890,273,223</u>	<u>8,922,023,462</u>	<u>2,974,146,835</u>
OPERATING PROFIT		<u>3,928,676,684</u>	<u>1,054,634,769</u>	<u>4,955,157,981</u>	<u>1,697,633,305</u>
OTHER INCOME (CHARGES)					
Finance costs and other charges	(	1,143,969,265)	(595,783,464)	(1,056,724,751)	(598,388,761)
Finance income		<u>94,184,118</u>	<u>11,878,072</u>	<u>146,357,097</u>	<u>44,614,531</u>
	(	<u>1,049,785,147)</u>	<u>(583,905,392)</u>	<u>(910,367,654)</u>	<u>(553,774,230)</u>
PROFIT BEFORE TAX		2,878,891,537	470,729,377	4,044,790,327	1,143,859,075
TAX EXPENSE		<u>49,147,498</u>	<u>4,756,507</u>	<u>31,580,975</u>	<u>11,744,950</u>
NET PROFIT FOR THE PERIOD		2,829,744,039	465,972,870	4,013,209,352	1,132,114,125
OTHER COMPREHENSIVE INCOME	(	<u>300,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	P	<u>2,829,444,039</u>	<u>P 465,972,870</u>	<u>P 4,013,209,352</u>	<u>P 1,132,114,125</u>
Net profit attributable to:					
Parent company's shareholders	P	2,834,370,207	P 467,102,778	P 4,013,209,352	P 1,132,114,125
Non-controlling interests	(	<u>4,626,168)</u>	<u>(1,129,908)</u>	<u>-</u>	<u>-</u>
	P	<u>2,829,744,039</u>	<u>P 465,972,870</u>	<u>P 4,013,209,352</u>	<u>P 1,132,114,125</u>
Total comprehensive income attributable to:					
Parent company's shareholders	P	2,834,070,207	P 467,102,778	P 4,013,209,352	P 1,132,114,125
Non-controlling interests	(	<u>4,626,168)</u>	<u>(1,129,908)</u>	<u>-</u>	<u>-</u>
	P	<u>2,829,444,039</u>	<u>P 465,972,870</u>	<u>P 4,013,209,352</u>	<u>P 1,132,114,125</u>
Earnings Per Share - Basic and Diluted	11	<u>P 0.18</u>		<u>P 0.25</u>	

See Selected Explanatory Notes to Consolidated Interim Financial Information.

EXHIBIT 3

TRAVELLERS INTERNATIONAL HOTEL GROUP, INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014
(Amounts in Philippine Pesos)
(Unaudited)

	Attributable to Shareholders of Parent Company						Non-controlling	
	Capital Stock	Additional Paid-in Capital	Treasury Shares	Revaluation Reserves	Retained Earnings	Total	Interests	Total
Balance at January 1, 2015	P 10,000,000,000	P 22,417,157,066	(P 8,324,412,515)	P 39,230,463	P 14,733,381,929	P 38,865,356,943	P 235,952,429	P 39,101,309,372
Cash dividends declared during the period	-	-	-	-	(1,119,001,025)	(1,119,001,025)	-	(1,119,001,025)
Total comprehensive income for the period	-	-	-	(300,000)	2,834,370,207	2,834,070,207	(4,626,168)	2,829,444,039
Balance at September 30, 2015	<u>P 10,000,000,000</u>	<u>P 22,417,157,066</u>	<u>(P 8,324,412,515)</u>	<u>P 38,930,463</u>	<u>P 16,448,751,111</u>	<u>P 40,580,426,125</u>	<u>P 231,326,261</u>	<u>P 40,811,752,386</u>
Balance at January 1, 2014	P 10,000,000,000	P 22,417,157,066	(P 8,324,412,515)	P 46,604,602	P 9,288,495,095	P 33,427,844,248	p -	P 33,427,844,248
Non-controlling interests in newly-acquired subsidiary	-	-	-	-	-	-	235,766,033	235,766,033
Total comprehensive income for the period	-	-	-	-	4,013,209,352	4,013,209,352	-	4,013,209,352
Balance at September 30, 2014	<u>P 10,000,000,000</u>	<u>P 22,417,157,066</u>	<u>(P 8,324,412,515)</u>	<u>P 46,604,602</u>	<u>P 13,301,704,447</u>	<u>P 37,441,053,600</u>	<u>P 235,766,033</u>	<u>P 37,676,819,633</u>

See Selected Explanatory Notes to Consolidated Interim Financial Information.

TRAVELLERS INTERNATIONAL HOTEL GROUP, INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014
(Amounts in Philippine Pesos)
(Unaudited)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	P 2,878,891,537	P 4,044,790,327
Adjustments for:		
Depreciation	977,331,464	1,178,978,771
Interest expense	619,392,893	865,468,993
Unrealized foreign exchange losses - net	497,841,143	116,520,811
Interest income	(94,184,117)	(146,357,097)
Unrealized loss on interest rate swap	26,735,229	27,220,304
Share in net loss of an associate	-	40,168,131
Gain on sale of property and equipment	-	(5,480,470)
Operating profit before working capital changes	4,906,008,149	6,121,309,770
Decrease (increase) in trade and other receivables	(1,671,625,106)	1,022,069,522
Decrease (increase) in advances to related parties	(133,006,238)	28,196,805
Increase in inventories	(51,000,435)	(74,796,948)
Increase in prepayments and other current assets	(433,863,732)	(111,587,542)
Increase in trade and other payables	1,511,212,729	2,350,565,920
Increase in advances from related parties	1,300,161,290	102,342,332
Increase in retirement benefit obligation	6,847,826	5,212,837
Increase in other non-current liabilities	1,292,759	12,192,878
Cash generated from operations	5,436,027,242	9,455,505,574
Cash paid for income taxes	(50,845,692)	(28,179,733)
Net Cash From Operating Activities	5,385,181,550	9,427,325,841
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property and equipment	(5,553,983,115)	(7,887,087,691)
Additional advances for future investment	(1,500,000,000)	-
Additional investments in an associate	(485,078,224)	(836,997,719)
Interest received	94,679,045	147,323,036
Disposal of property and equipment	71,375,750	12,689,426
Decrease (increase) in other non-current assets	41,035,430	(1,434,061,239)
Disposal of available-for-sale financial asset	1,472,730	-
Net Cash Used in Investing Activities	(7,330,498,384)	(9,998,134,187)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(1,119,001,025)	(1,299,210,000)
Interest paid	(897,083,110)	(1,060,167,672)
Payments of derivative liability	(157,640,625)	(158,399,439)
Payments of interest-bearing loans and borrowings	-	(4,417,124,800)
Net Cash Used in Financing Activities	(2,173,724,760)	(6,934,901,911)
Effects of Exchange Rates Changes on Cash and Cash Equivalents	191,724,895	87,735,852
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,927,316,699)	(7,417,974,405)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	17,856,400,410	25,775,504,641
CASH AND CASH EQUIVALENTS AT END OF PERIOD	P 13,929,083,711	P 18,357,530,236

Supplemental Information on Non-cash Investing Activity -

The Group capitalized borrowing costs amounting to P276.2 million in 2015 and P100.9 million in 2014 representing the actual borrowing costs, net of related investment income, incurred on loans obtained to fund the development of a portion of the Group's properties.

See Selected Explanatory Notes to Consolidated Interim Financial Information.

Appendix G

Solaire (Bloomberry Resorts Corporation) Financial Statements

BLOOMBERRY RESORTS CORPORATION AND SUBSIDIARIES
(A Subsidiary of Prime Metroline Holdings, Inc.)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2013	2012
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4 and 21)	₱6,092,239,439	₱7,836,932,348
Current portion of restricted cash (Notes 8 and 21)	16,625,108	42,832,595
Receivables (Notes 5 and 21)	2,514,835,718	36,104,181
Inventories (Note 6)	190,335,830	633,396
Prepayments and other current assets (Notes 7, 19 and 21)	245,082,069	139,454,372
Total Current Assets	9,059,118,164	8,055,956,892
Noncurrent Assets		
Restricted cash - net of current portion (Notes 8 and 21)	2,254,801,647	2,182,037,610
Advances to contractors (Note 9)	1,122,604,556	3,439,011,003
Project development costs (Notes 9 and 13)	4,107,769,095	14,715,961,920
Property and equipment (Note 10)	23,243,559,711	175,165,970
Deferred tax assets - net (Note 20)	—	86,192,911
Other noncurrent assets (Notes 11 and 21)	559,115,499	141,721,877
Total Noncurrent Assets	31,287,850,508	20,740,091,291
	₱40,346,968,672	₱28,796,048,183
LIABILITIES AND EQUITY		
Current Liabilities		
Payables and other current liabilities (Notes 12 and 21)	₱6,565,866,184	₱3,259,781,507
Current portion of long-term debt (Notes 13 and 21)	1,019,430,237	—
Total Current Liabilities	7,585,296,421	3,259,781,507
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 13 and 21)	16,613,159,586	8,176,106,582
Deferred tax liabilities - net (Note 20)	68,215,885	—
Accrued rent - net of current portion (Note 12)	—	11,758,247
Retirement liability and other noncurrent liabilities (Note 15)	47,384,500	11,765,800
Total Noncurrent Liabilities	16,728,759,971	8,199,630,629
Total Liabilities	24,314,056,392	11,459,412,136
Equity Attributable to Equity Holders of the Parent Company		
Capital stock (Notes 1 and 16)	10,589,800,556	10,589,800,556
Additional paid-in capital (Note 16)	7,948,329,736	7,948,329,736
Equity reserve (Note 2)	(27,138,558)	(27,138,558)
Share-based payment plan (Note 16)	10,883,035	—
Deficit (Note 16)	(2,488,964,831)	(1,174,355,687)
Total Equity Attributable to Equity Holders of the Parent Company	16,032,909,938	17,336,636,047
Equity Attributable to Non-controlling Interests	2,342	—
Total Equity	16,032,912,280	17,336,636,047
	₱40,346,968,672	₱28,796,048,183

See accompanying Notes to Consolidated Financial Statements.



BLOOMBERRY RESORTS CORPORATION AND SUBSIDIARIES
(A Subsidiary of Prime Metroline Holdings, Inc.)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2013	2012	2011 (Note 2)
REVENUES			
Gaming (Note 19)	₱11,464,047,689	₱—	₱—
Hotel, food and beverage	767,593,410	—	—
Interest income (Notes 4 and 8)	53,646,806	195,599,816	69,005,571
Gain on sale of investment in an associate (Note 11)	—	—	72,329,595
Retail and others (Note 18)	58,694,637	—	4,345,277
	12,343,982,542	195,599,816	145,680,443
COSTS AND EXPENSES			
Operating costs and expenses (Note 17)	13,265,098,802	819,357,609	149,202,171
Interest expense (Note 13)	371,030,034	—	—
Foreign exchange losses (gains) - net (Note 21)	(187,466,625)	115,780,579	393,846
Mark-to-market loss (Note 13)	55,462,138	16,838,284	—
Equity in net losses of an associate (Note 11)	—	—	9,933,136
	13,504,124,349	951,976,472	159,529,153
LOSS BEFORE INCOME TAX	(1,160,141,807)	(756,376,656)	(13,848,710)
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 20)	154,948,159	(68,437,939)	(16,508,414)
NET INCOME (LOSS)	(1,315,089,966)	(687,938,717)	2,659,704
OTHER COMPREHENSIVE LOSS			
Item that will not be reclassified to profit or loss in subsequent period -			
Actuarial loss (Note 15)	(58,541)	—	—
Income tax effect	539,363	—	—
	480,822	—	—
TOTAL COMPREHENSIVE INCOME (LOSS)	(₱1,314,609,144)	(₱687,938,717)	₱2,659,704
Net Income (Loss) Attributable To			
Equity holders of the Parent Company	(₱1,315,089,966)	(₱687,938,717)	₱2,659,704
Non-controlling interests	—	—	—
	(₱1,315,089,966)	(₱687,938,717)	₱2,659,704
Total Comprehensive Income (Loss) Attributable To			
Equity holders of the Parent Company	(₱1,314,609,144)	(₱687,938,717)	₱2,659,704
Non-controlling interests	—	—	—
	(₱1,314,609,144)	(₱687,938,717)	₱2,659,704
Earnings (Loss) Per Share on Net Income (Loss)			
Attributable to Equity Holders of the Parent Company (Note 22)			
Basic	(₱0.124)	(₱0.070)	₱0.001
Diluted	(₱0.124)	(₱0.070)	₱0.001

See accompanying Notes to Consolidated Financial Statements.



BLOOMBERRY RESORTS CORPORATION AND SUBSIDIARIES
(A Subsidiary of Prime Metroline Holdings, Inc.)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2013, 2012 AND 2011

	Equity Attributable to Equity Holders of the Parent Company						Equity Attributable to Non-controlling		Total Equity
	Capital Stock	Additional Paid-in Capital	Equity Reserve	Share-based Payment Plan	Cumulative Actuarial Loss	Deficit	Total	Interests	
Balances at January 1, 2013	₱10,589,800,556	₱7,948,329,736	(₱27,138,558)	₱—	₱—	(₱1,174,355,687)	₱17,336,636,047	₱—	₱17,336,636,047
Net loss	—	—	—	—	—	(1,315,089,966)	(1,315,089,966)	—	(1,315,089,966)
Other comprehensive loss (Note 15)	—	—	—	—	480,822	—	480,822	—	480,822
Total comprehensive loss	—	—	—	—	480,822	(1,315,089,966)	(1,314,609,144)	—	(1,314,609,144)
Share-based payments	—	—	—	10,883,035	—	—	10,883,035	—	10,883,035
Remeasurement loss on defined benefit plan transferred to retained earnings	—	—	—	—	(480,822)	480,822	—	—	—
Issuance of capital stock to non-controlling interests	—	—	—	—	—	—	—	2,342	2,342
Balances at December 31, 2013	₱10,589,800,556	₱7,948,329,736	(₱27,138,558)	₱10,883,035	₱—	(₱2,488,964,831)	₱16,032,909,938	₱2,342	₱16,032,912,280
Balances at January 1, 2012	₱80,000,000	₱—	₱5,755,949,217	₱—	₱—	(₱486,416,970)	₱5,349,532,247	₱—	₱5,349,532,247
Net loss	—	—	—	—	—	(687,938,717)	(687,938,717)	—	(687,938,717)
Other comprehensive income	—	—	—	—	—	—	—	—	—
Total comprehensive loss	—	—	—	—	—	(687,938,717)	(687,938,717)	—	(687,938,717)
Issuance of capital stock (Note 16)	10,509,800,556	7,948,329,736	—	—	—	—	18,458,130,292	—	18,458,130,292
Movement in equity reserve	—	—	(5,783,087,775)	—	—	—	(5,783,087,775)	—	(5,783,087,775)
Balances at December 31, 2012	₱10,589,800,556	₱7,948,329,736	(₱27,138,558)	₱—	₱—	(₱1,174,355,687)	₱17,336,636,047	₱—	₱17,336,636,047
Balances at January 1, 2011	₱80,000,000	₱—	₱5,769,746,670	₱—	₱—	₱198,286,286	₱6,048,032,956	₱—	₱6,048,032,956
Net income	—	—	—	—	—	2,659,704	2,659,704	—	2,659,704
Other comprehensive income	—	—	—	—	—	—	—	—	—
Total comprehensive income	—	—	—	—	—	2,659,704	2,659,704	—	2,659,704
Movement in equity reserve	—	—	(13,797,453)	—	—	—	(13,797,453)	—	(13,797,453)
Dividend declaration (Note 16)	—	—	—	—	—	(687,362,960)	(687,362,960)	—	(687,362,960)
Balances at December 31, 2011	₱80,000,000	₱—	₱5,755,949,217	₱—	₱—	(₱486,416,970)	₱5,349,532,247	₱—	₱5,349,532,247

See accompanying Notes to Consolidated Financial Statements.



BLOOMBERRY RESORTS CORPORATION AND SUBSIDIARIES
(A Subsidiary of Prime Metroline Holdings, Inc.)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2013	2012	2011 (Note 2)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax	(P1,160,141,807)	(P756,376,656)	(P13,848,710)
Adjustments for:			
Interest income (Notes 4 and 8)	(53,646,805)	(195,599,816)	(69,005,571)
Unrealized foreign exchange (gains) losses - net	(199,753,133)	115,780,579	393,846
Depreciation and amortization (Notes 10, 11, 16 and 17)	2,039,223,501	33,923,083	5,443,215
Provision for doubtful accounts (Note 5)	532,705,442		
Mark-to-market loss (Note 13)	55,462,138	16,838,284	—
Share-based payment expense (Note 16)	10,883,035	—	—
Retirement expense (Note 15)	35,560,159	11,765,800	—
Interest expense (Note 13)	371,030,034	—	—
Loss on retirement of property and equipment (Note 10)	798,617	—	—
Equity in net losses (gains) of an associate (Note 11)	—	—	9,933,136
Gain on sale of investment in an associate (Note 11)	—	—	(72,329,595)
Operating income (loss) before working capital changes	1,632,121,181	(773,668,726)	(139,413,679)
Decrease (increase) in:			
Receivables	(2,924,281,420)	(34,151,124)	134,914
Inventories	(189,702,434)	—	—
Prepayments and other current assets	(123,141,205)	(54,855,025)	(13,256,186)
Due from related parties	—	319,716,760	435,116,551
Increase in payables and other current liabilities	3,277,362,687	949,901,949	243,049,250
Net cash generated from operations	1,672,358,809	406,943,834	525,630,850
Interest received	58,021,084	198,046,325	66,532,586
Income taxes paid	—	(70,106)	—
Net cash provided by operating activities	1,730,379,893	604,920,053	592,163,436
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment (Note 10)	(7,819,448,496)	(192,525,529)	(11,854,442)
Decrease (increase) in:			
Project development costs	(2,956,956,906)	(8,634,543,610)	(3,776,581,182)
Advances to contractors	(1,057,340,309)	(3,324,702,436)	114,310,563
Investment in an associate and other noncurrent assets	(575,369,277)	(47,279,148)	(320,574,004)
Restricted cash - net of current portion	(72,764,037)	(35,273,095)	1,594,188,254
Payment for acquisition of Sureste (Note 1)	—	(5,865,496,700)	—
Cash acquired from acquisition of Sureste	—	81,551,355	—
Proceeds from sale of investment in an associate (Note 11)	—	—	227,493,710
Net cash used in investing activities	(12,481,879,025)	(18,018,269,163)	(2,173,017,101)

(Forward)



	Years Ended December 31		
	2013	2012	2011 (Note 2)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from availment of loans	₱9,380,331,202	₱5,670,576,216	₱2,422,059,447
Interest paid	(507,830,728)	—	—
Net proceeds from issuance of capital stock to non-controlling interest	2,342		
Net proceeds from issuance of capital stock	—	18,458,130,292	—
Stock issue cost on issuance of legal subsidiaries' capital stock	—	—	(29,547,483)
Additional deposit for future stock subscription of legal subsidiary	—	—	15,750,030
Decrease in other noncurrent liability	—	—	(3,896,939)
Net cash provided by financing activities	8,872,502,816	24,128,706,508	2,404,365,055
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	108,095,920	(7,965,198)	(393,846)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,770,900,396)	6,707,392,200	823,117,544
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR			
Cash and cash equivalents (Note 4)	7,836,932,348	573,299,664	237,620,215
Current portion of restricted cash (Notes 2 and 8)	42,832,595	599,073,079	111,634,984
	7,879,764,943	1,172,372,743	349,255,199
CASH AND CASH EQUIVALENTS AT END OF YEAR			
Cash and cash equivalents (Note 4)	6,092,239,439	7,836,932,348	573,299,664
Current portion of restricted cash (Notes 2 and 8)	16,625,108	42,832,595	599,073,079
	₱6,108,864,547	₱7,879,764,943	₱1,172,372,743

See accompanying Notes to Consolidated Financial Statements.



BLOOMBERRY RESORTS CORPORATION AND SUBSIDIARIES
(A Subsidiary of Prime Metroline Holdings, Inc.)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2014	2013
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4, 21 and 23)	₱14,747,804,181	₱6,092,239,439
Current portion of restricted cash (Notes 8, 21 and 23)	6,696,490,521	16,625,108
Receivables (Notes 5 and 21)	4,087,723,618	2,514,835,718
Inventories (Note 6)	182,959,044	190,335,830
Prepayments and other current assets (Notes 7, 19 and 21)	741,864,870	245,082,069
Total Current Assets	26,456,842,234	9,059,118,164
Noncurrent Assets		
Restricted cash - net of current portion (Notes 8 and 21)	—	2,254,801,647
Advances to contractors (Note 9)	276,797,821	1,122,604,556
Property and equipment (Notes 9, 10 and 13)	40,470,608,091	27,351,328,806
Other noncurrent assets (Notes 11 and 21)	473,846,841	559,115,499
Total Noncurrent Assets	41,221,252,753	31,287,850,508
	₱67,678,094,987	₱40,346,968,672
LIABILITIES AND EQUITY		
Current Liabilities		
Payables and other current liabilities (Notes 12 and 21)	₱9,148,127,697	₱6,565,866,184
Current portion of long-term debt (Notes 13 and 21)	1,994,033,232	1,019,430,237
Total Current Liabilities	11,142,160,929	7,585,296,421
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 13 and 21)	30,614,218,008	16,613,159,586
Deferred tax liabilities - net (Note 20)	111,020,371	68,215,885
Retirement liability (Note 15)	131,478,600	47,384,500
Total Noncurrent Liabilities	30,856,716,979	16,728,759,971
Total Liabilities	41,998,877,908	24,314,056,392
Equity Attributable to Equity Holders of the Parent Company		
Capital stock (Notes 1 and 16)	11,032,998,225	10,589,800,556
Additional paid-in capital (Note 16)	13,162,080,045	7,948,329,736
Equity reserve (Note 2)	(27,138,558)	(27,138,558)
Treasury share (Note 16)	(77,448,659)	—
Share-based payment plan (Note 16)	38,021,393	10,883,035
Retained earnings (deficit)	1,550,048,630	(2,488,964,831)
Total Equity Attributable to Equity Holders of the Parent Company	25,678,561,076	16,032,909,938
Equity Attributable to Non-controlling Interests	656,003	2,342
Total Equity	25,679,217,079	16,032,912,280
	₱67,678,094,987	₱40,346,968,672

See accompanying Notes to Consolidated Financial Statements.



BLOOMBERRY RESORTS CORPORATION AND SUBSIDIARIES
(A Subsidiary of Prime Metroline Holdings, Inc.)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2014	2013	2012
REVENUES			
Gaming (Note 19)	₱22,848,967,718	₱11,464,047,689	₱—
Hotel, food and beverage	1,071,429,103	767,593,410	—
Interest income (Notes 4 and 8)	84,813,536	53,646,806	195,599,816
Retail and others	116,863,775	58,694,637	—
	24,122,074,132	12,343,982,542	195,599,816
COSTS AND EXPENSES			
Operating costs and expenses (Notes 14 and 17)	16,856,923,100	13,265,098,802	819,357,609
Interest expense (Note 13)	761,208,605	371,030,034	—
Foreign exchange losses (gains) - net (Note 21)	(3,363,559)	(187,466,625)	115,780,579
Mark-to-market loss (Note 13)	24,820,450	55,462,138	16,838,284
	17,639,588,596	13,504,124,349	951,976,472
INCOME (LOSS) BEFORE INCOME TAX	6,482,485,536	(1,160,141,807)	(756,376,656)
PROVISION FOR (BENEFIT FROM) INCOME TAX (Notes 19 and 20)	2,410,084,210	154,948,159	(68,437,939)
NET INCOME (LOSS)	4,072,401,326	(1,315,089,966)	(687,938,717)
OTHER COMPREHENSIVE LOSS			
Item that will not be reclassified to profit or loss in subsequent period -			
Actuarial loss (Note 15)	(36,068,402)	(58,541)	—
Income tax effect	2,680,537	539,363	—
	(33,387,865)	480,822	—
TOTAL COMPREHENSIVE INCOME (LOSS)	₱4,039,013,461	(₱1,314,609,144)	(₱687,938,717)
Net Income (Loss) Attributable To			
Equity holders of the Parent Company	₱4,072,401,326	(₱1,315,089,966)	(₱687,938,717)
Non-controlling interests	—	—	—
	₱4,072,401,326	(₱1,315,089,966)	(₱687,938,717)
Total Comprehensive Income (Loss) Attributable To			
Equity holders of the Parent Company	₱4,039,013,461	(₱1,314,609,144)	(₱687,938,717)
Non-controlling interests	—	—	—
	₱4,039,013,461	(₱1,314,609,144)	(₱687,938,717)
Earnings (Loss) Per Share on Net Income (Loss) Attributable to Equity Holders of the Parent Company (Note 22)			
Basic	₱0.382	(₱0.124)	(₱0.070)
Diluted	₱0.382	(₱0.124)	(₱0.070)

See accompanying Notes to Consolidated Financial Statements.



BLOOMBERRY RESORTS CORPORATION AND SUBSIDIARIES

(A Subsidiary of Prime Metroline Holdings, Inc.)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012

	Equity Attributable to Equity Holders of the Parent Company								Equity Attributable to Non-controlling	
	Capital Stock	Additional Paid-in Capital	Equity Reserve	Treasury Shares	Share-based Payment Plan	Cumulative Actuarial Loss	Retained Earnings (Deficit)	Total	Interests	Total Equity
Balances at January 1, 2014	₱10,589,800,556	₱7,948,329,736	(₱27,138,558)	₱—	₱10,883,035	₱—	(₱2,488,964,831)	₱16,032,909,938	₱2,342	₱16,032,912,280
Net Income	—	—	—	—	—	—	4,072,401,326	4,072,401,326	—	4,072,401,326
Other comprehensive loss (Note 15)	—	—	—	—	—	(33,387,865)	—	(33,387,865)	—	(33,387,865)
Total comprehensive income	—	—	—	—	—	(33,387,865)	4,072,401,326	4,039,013,461	—	4,039,013,461
Issuance of capital stock to PMHI (Note 16)	443,197,669	5,219,041,760	—	—	—	—	—	5,662,239,429	—	5,662,239,429
Purchase of treasury shares (Note 16)	—	—	—	(103,290,629)	—	—	—	(103,290,629)	—	(103,290,629)
Issuance of treasury shares for share-based payments (Note 16)	—	(5,291,451)	—	25,841,970	(20,550,519)	—	—	—	—	—
Share-based payments (Note 16)	—	—	—	—	47,688,877	—	—	47,688,877	—	47,688,877
Remeasurement loss on defined benefit plan transferred to retained earnings (Note 15)	—	—	—	—	—	33,387,865	(33,387,865)	—	—	—
Changes in non-controlling interests (Note 1)	—	—	—	—	—	—	—	—	653,661	653,661
Balances at December 31, 2014	₱11,032,998,225	₱13,162,080,045	(₱27,138,558)	(₱77,448,659)	₱38,021,393	₱—	₱1,550,048,630	₱25,678,561,076	₱656,003	₱25,679,217,079
Balances at January 1, 2013	₱10,589,800,556	₱7,948,329,736	(₱27,138,558)	₱—	₱—	₱—	(₱1,174,355,687)	₱17,336,636,047	₱—	₱17,336,636,047
Net loss	—	—	—	—	—	—	(1,315,089,966)	(1,315,089,966)	—	(1,315,089,966)
Other comprehensive income	—	—	—	—	—	480,822	—	480,822	—	480,822
Total comprehensive loss	—	—	—	—	—	480,822	(1,315,089,966)	(1,314,609,144)	—	(1,314,609,144)
Share-based payments (Note 16)	—	—	—	—	10,883,035	—	—	₱10,883,035	—	10,883,035
Remeasurement loss on defined benefit plan transferred to retained earnings (Note 15)	—	—	—	—	—	(480,822)	480,822	—	—	—
Subsidiary’s issuance of capital stock to non-controlling interests	—	—	—	—	—	—	—	—	2,342	2,342
Balances at December 31, 2013	₱10,589,800,556	₱7,948,329,736	(₱27,138,558)	₱—	₱10,883,035	₱—	(₱2,488,964,831)	₱16,032,909,938	₱2,342	₱16,032,912,280
Balances at January 1, 2012	₱80,000,000	₱—	₱5,755,949,217	₱—	₱—	₱—	(₱486,416,970)	₱5,349,532,247	₱—	₱5,349,532,247
Net loss	—	—	—	—	—	—	(687,938,717)	(687,938,717)	—	(687,938,717)
Other comprehensive income	—	—	—	—	—	—	—	—	—	—
Total comprehensive income	—	—	—	—	—	—	(687,938,717)	(687,938,717)	—	(687,938,717)
Issuance of capital stock (Note 16)	10,509,800,556	7,948,329,736	—	—	—	—	—	18,458,130,292	—	18,458,130,292
Movement in equity reserve (Note 2)	—	—	(5,783,087,775)	—	—	—	—	(5,783,087,775)	—	(5,783,087,775)
Balances at December 31, 2012	₱10,589,800,556	₱7,948,329,736	(₱27,138,558)	₱—	₱—	₱—	(₱1,174,355,687)	₱17,336,636,047	₱—	₱17,336,636,047

See accompanying Notes to Consolidated Financial Statements.



BLOOMBERRY RESORTS CORPORATION AND SUBSIDIARIES
(A Subsidiary of Prime Metroline Holdings, Inc.)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2014	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax	₱6,482,485,536	(₱1,160,141,807)	(₱756,376,656)
Adjustments for:			
Depreciation and amortization (Notes 10, 11 and 17)	2,817,962,191	2,039,223,501	33,923,083
Interest expense (Note 13)	761,208,605	371,030,034	—
Provision for doubtful accounts (Notes 5 and 17)	679,659,275	532,705,442	—
Interest income (Notes 4 and 8)	(84,813,536)	(53,646,805)	(195,599,816)
Share-based payment expense (Note 16)	47,688,877	10,883,035	—
Mark-to-market loss (Note 13)	24,820,450	55,462,138	16,838,284
Unrealized foreign exchange (gains) losses - net	(12,493,466)	(199,753,133)	115,780,579
Loss on retirement of property and equipment			
(Note 10)	—	798,617	—
Operating income (loss) before working capital changes	10,716,517,932	1,596,561,022	(785,434,526)
Decrease (increase) in:			
Receivables	(2,133,344,602)	(2,924,281,420)	(34,151,124)
Inventories	7,376,786	(189,702,434)	—
Prepayments and other current assets	(521,603,252)	(123,141,205)	(54,855,025)
Due from related parties	—	—	319,716,760
Increase in:			
Payables and other current liabilities	1,333,601,292	3,277,362,687	949,901,949
Retirement liability	48,025,698	35,560,159	11,765,800
Net cash generated from operations	9,450,573,854	1,672,358,809	406,943,834
Interest received	84,643,838	58,021,084	198,046,325
Income taxes paid	(1,406,424,182)	—	(70,106)
Net cash provided by operating activities	8,128,793,510	1,730,379,893	604,920,053
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment (Note 10)	(10,793,501,467)	(10,776,405,402)	(8,827,069,139)
Decrease (increase) in:			
Advances to contractors	(3,234,903,914)	(1,057,340,309)	(3,324,702,436)
Other noncurrent assets	(102,015,846)	(575,369,277)	(47,279,148)
Restricted cash - net of current portion	(18,068,461)	(72,764,037)	(35,273,095)
Payment for acquisition of Sureste (Note 1)	—	—	(5,865,496,700)
Cash acquired from acquisition of Sureste	—	—	81,551,355
Net cash used in investing activities	(14,148,489,688)	(12,481,879,025)	(18,018,269,163)

(Forward)



	Years Ended December 31		
	2014	2013	2012
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from availment of loans	₱15,989,691,633	₱9,380,331,202	₱5,670,576,216
Payment of principal	(1,082,850,000)	—	—
Payment of interest	(1,277,648,460)	(507,830,728)	—
Net proceeds from issuance of capital stock	5,662,239,429	—	18,458,130,292
Acquisition of treasury shares	(103,290,629)	—	—
Acquisition of minority interest	(2,342)	—	—
Net proceeds from issuance of capital stock to non-controlling interest	656,003	2,342	—
Net cash provided by financing activities	19,188,795,634	8,872,502,816	24,128,706,508
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(106,539,409)	108,095,920	(7,965,198)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	13,062,560,047	(1,770,900,396)	6,707,392,200
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR			
Cash and cash equivalents (Note 4)	6,092,239,439	7,836,932,348	573,299,664
Current portion of restricted cash (Notes 2 and 8)	16,625,108	42,832,595	599,073,079
	6,108,864,547	7,879,764,943	1,172,372,743
CASH AND CASH EQUIVALENTS AT END OF YEAR			
Cash and cash equivalents (Note 4)	14,747,804,181	6,092,239,439	7,836,932,348
Current portion of restricted cash (Notes 2, 8 and 23)	4,423,620,413	16,625,108	42,832,595
	₱19,171,424,594	₱6,108,864,547	₱7,879,764,943

See accompanying Notes to Consolidated Financial Statements.



BLOOMBERRY RESORTS CORPORATION AND SUBSIDIARIES
(A Subsidiary of Prime Metroline Holdings, Inc.)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2015 AND DECEMBER 31, 2014

	September 30, 2015 <i>(Unaudited)</i>	December 31, 2014 <i>(Audited)</i>
ASSETS		
Current Assets		
Cash and cash equivalents	P14,465,471,965	P14,747,804,181
Restricted cash	3,579,049,780	6,696,490,521
Receivables - net	2,581,373,031	4,087,723,618
Inventories	202,244,992	182,959,044
Prepayments and other current assets	687,296,632	741,864,870
Total Current Assets	21,515,436,400	26,456,842,234
Noncurrent Assets		
Advances to contractors	107,959,490	276,797,821
Property and equipment	46,136,723,903	40,470,608,091
Other noncurrent assets	3,150,683,812	473,846,841
Total Noncurrent Assets	49,395,367,205	41,221,252,753
	P70,910,803,605	P67,678,094,987
LIABILITIES AND EQUITY		
Current Liabilities		
Payables and other current liabilities	P9,293,524,263	P9,148,127,697
Current portion of long-term debt	2,568,749,855	1,994,033,232
Total Current Liabilities	11,862,274,118	11,142,160,929
Noncurrent Liabilities		
Long-term debt – net of current portion	34,777,522,702	30,614,218,008
Deferred tax liabilities	109,850,075	111,020,371
Retirement liability	261,469,911	131,478,600
Total Noncurrent Liabilities	35,148,842,688	30,856,716,979
Total Liabilities	47,011,116,806	41,998,877,908
Equity		
Capital stock	11,032,998,225	11,032,998,225
Additional paid-in capital	13,181,680,854	13,162,080,045
Equity reserves	(27,138,558)	(27,138,558)
Treasury shares	(198,704,230)	(77,448,659)
Share-based payment plan	66,010,152	38,021,393
Translation adjustment	256,140,172	–
Retained earnings (Deficit)	(495,166,125)	1,550,048,630
Total Equity Attributable to Equity Holders of the Parent Company	23,815,820,490	25,678,561,076
Equity Attributable to Non-controlling Interest	83,866,309	656,003
Total Equity	23,899,686,799	25,679,217,079
	P70,910,803,605	P67,678,094,987

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

BLOOMBERRY RESORTS CORPORATION AND SUBSIDIARIES
(A Subsidiary of Prime Metroline Holdings, Inc.)

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	FOR THE THREE MONTHS ENDED SEPTEMBER 30		FOR THE NINE MONTHS ENDED SEPTEMBER 30	
	2015	2014	2015	2014
REVENUES				
Gaming – net	₱6,593,099,095	₱5,236,609,760	₱18,040,385,127	₱16,062,777,349
Hotel, food and beverage	392,734,131	231,619,187	1,150,728,525	784,129,568
Retail and others	93,150,580	18,541,551	174,277,039	65,897,082
Interest income	15,964,143	25,071,260	58,972,246	62,129,394
	7,094,947,949	5,511,841,758	19,424,362,937	16,974,933,393
EXPENSES				
Operating cost and expenses	5,925,929,038	3,749,687,126	17,292,054,893	12,074,444,185
Interest expense	586,174,437	102,873,437	1,702,972,566	245,759,956
Foreign exchange gains - net	(55,330,981)	(70,515,480)	(67,682,493)	(67,004,660)
Mark-to-market losses	2,413,002	5,709,637	5,543,160	15,359,339
	6,459,185,496	3,787,754,720	18,932,888,126	12,268,558,820
INCOME BEFORE INCOME TAX	635,762,453	1,724,087,038	491,474,811	4,706,374,573
PROVISION FOR (BENEFIT FROM) INCOME TAX				
Current	824,551,032	729,549,972	2,001,731,339	1,406,424,182
Deferred	695,925	2,870,349	(1,170,296)	472,560
	825,246,957	732,420,321	2,000,561,043	1,406,896,742
NET INCOME (LOSS)	(189,484,504)	991,666,717	(1,509,086,232)	3,299,477,831
OTHER COMPREHENSIVE INCOME	–	–	–	–
TOTAL COMPREHENSIVE INCOME (LOSS)	(₱189,484,504)	₱991,666,717	(₱1,509,086,232)	₱3,299,477,831
Net Income (Loss) Attributable to				
Equity holders of the Parent				
Company	(₱187,437,504)	₱991,666,717	(₱1,493,761,313)	₱3,299,477,831
Non-controlling interests	(2,047,000)	–	(15,324,919)	–
	(₱189,484,504)	₱991,666,717	(₱1,509,086,232)	₱3,299,477,831
Total Comprehensive Income (Loss) Attributable to				
Equity holders of the Parent				
Company	(₱187,437,504)	₱991,666,717	(₱1,493,761,313)	₱3,299,477,831
Non-controlling interests	(2,047,000)	–	(15,324,919)	–
	(₱189,484,504)	₱991,666,717	(₱1,509,086,232)	₱3,299,477,831
Earnings (Loss) Per Share on Net Income (Loss) Attributable to Equity Holders of the Parent Company				
Basic	(₱0.017)	₱0.094	(₱0.136)	₱0.312
Diluted	(0.017)	0.094	(0.135)	0.311

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

BLOOMBERRY RESORTS CORPORATION AND SUBSIDIARIES
(A Subsidiary of Prime Metroline Holdings, Inc.)

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

	Equity Attributable to									
	Capital Stock	Additional Paid-in Capital	Equity Reserve	Treasury Shares	Share-based Payment Plan	Translation Adjustment	Retained Earnings (Deficit)	Total	Non- controlling Interests	Total Equity
Balances at January 1, 2015 (Audited)	₱11,032,998,225	₱13,162,080,045	(₱27,138,558)	(₱77,448,659)	₱38,021,393	₱—	₱1,550,048,630	₱25,678,561,076	₱656,003	₱25,679,217,079
Net loss	—	—	—	—	—	—	(1,493,761,313)	(1,493,761,313)	(15,324,919)	(1,509,086,232)
Other comprehensive loss	—	—	—	—	—	—	—	—	—	—
Total comprehensive income	—	—	—	—	—	—	(1,493,761,313)	(1,493,761,313)	(15,324,919)	(1,509,086,232)
Share-based payments	—	—	—	—	45,559,456	—	—	45,559,456	—	45,559,456
Dividends declared	—	—	—	—	—	—	(551,453,442)	(551,453,442)	—	(551,453,442)
Purchase of treasury shares	—	16,780,420	—	(136,005,879)	—	—	—	(119,225,459)	—	(119,225,459)
Issuance of treasury shares for share-based payments	—	2,820,389	—	14,750,308	(17,570,697)	—	—	—	—	—
Translation adjustment	—	—	—	—	—	256,140,172	—	256,140,172	—	256,140,172
Changes in non-controlling interests	—	—	—	—	—	—	—	—	98,535,225	98,535,225
Balances at September 30, 2015 (Unaudited)	₱11,032,998,225	₱13,181,680,854	(₱27,138,558)	(₱198,704,230)	₱66,010,152	₱256,140,172	(₱495,166,125)	₱23,815,820,490	₱83,866,309	₱23,899,686,799
Balances at January 1, 2014 (Audited)	₱10,589,800,556	₱7,948,329,736	(₱27,138,558)	₱—	10,883,035	₱—	(₱2,488,964,831)	₱16,032,909,938	₱2,342	₱16,032,912,280
Net income	—	—	—	—	—	—	3,299,477,831	3,299,477,831	—	3,299,477,831
Other comprehensive income	—	—	—	—	—	—	—	—	—	—
Total comprehensive income	—	—	—	—	—	—	3,299,477,831	3,299,477,831	—	3,299,477,831
Subscription of capital stock	—	—	—	—	—	—	—	—	—	—
Payment of subscription	—	—	—	—	—	—	—	—	—	—
Share-based payments	—	—	—	—	41,700,243	—	—	41,700,243	—	41,700,243
Balances at September 30, 2014 (Unaudited)	₱10,589,800,556	₱7,948,329,736	(₱27,138,558)	₱—	₱52,583,278	₱—	₱810,513,000	₱19,374,088,012	₱2,342	₱19,374,090,354

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

BLOOMBERRY RESORTS CORPORATION AND SUBSIDIARIES
(A Subsidiary of Prime Metroline Holdings, Inc.)

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱491,474,811	₱4,706,374,573
Adjustments for:		
Unrealized foreign exchange gains - net	(67,682,493)	(67,004,660)
Interest income	(58,972,246)	(62,129,393)
Mark-to-market losses	5,543,160	15,359,339
Retirement expense	129,991,311	26,714,025
Interest expense	1,702,972,566	245,759,956
Share-based payment expense	30,809,148	41,700,243
Depreciation and amortization	3,595,503,874	2,045,052,816
Operating income before working capital changes	5,829,640,131	6,951,826,899
Decrease (increase) in:		
Receivables	1,507,586,746	(1,919,705,407)
Inventories	(19,285,948)	40,807,773
Prepayments and other current assets	29,747,789	(233,615,332)
Increase in accrued expenses and other current liabilities	462,865,265	1,205,569,736
Net cash generated from operations	7,810,553,983	6,044,883,669
Income tax paid	(2,134,185,016)	(676,874,210)
Interest received	11,370,372	58,842,883
Net cash provided by operating activities	5,687,739,339	5,426,852,342
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of a subsidiary, net of cash received	(2,526,096,069)	—
Additions to property and equipment	(5,504,144,167)	(12,868,489,052)
Decrease (increase) in:		
Other noncurrent assets	(2,887,123,491)	104,045,153
Restricted cash - net of current portion	—	(11,885,817)
Advance to contractors	976,009,569	2,517,463,254
Net cash used in investing activities	(9,941,354,158)	(10,258,866,462)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from availment of loans	4,738,021,317	13,918,487,160
Payment of interest	(1,069,694,332)	(988,707,569)
Payment of principal	(1,463,850,000)	(703,150,000)
Purchase of treasury shares	(121,255,571)	—
Proceed from retirement obligation	6,598,515	—
Payment of dividends	(551,452,425)	—
Net cash provided by financing activities	1,538,367,505	12,226,629,591
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(684,525,643)	67,004,660
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,399,772,957)	7,461,620,131
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		
Cash and cash equivalents	14,747,804,181	6,092,239,439
Current portion of restricted cash	6,696,490,521	16,625,108
	21,444,294,702	6,108,864,547
CASH AND CASH EQUIVALENTS AT END OF PERIOD		
Cash and cash equivalents	14,465,471,965	12,545,518,174
Restricted cash	3,579,049,780	1,024,966,504
	₱18,044,521,745	₱13,570,484,678

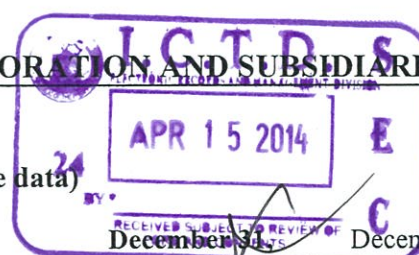
See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

Appendix H

City of Dreams Manila (Melco Crown Philippines Resorts Corporation) Financial Statements

MELCO CROWN (PHILIPPINES) RESORTS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2013 AND 2012

(In thousands of Philippine peso, except share and per share data)



December 31,
2013 (Note 2) December 31,
2012 (Note 2)

ASSETS

Current Assets

Cash and cash equivalents (Notes 5, 24 and 25)	₱8,599,842	₱1,152,022
Prepayments and other current assets (Note 6)	391,140	701
Amount due from a shareholder (Notes 17, 24 and 25)	5,425	—
Total Current Assets	8,996,407	1,152,723

Noncurrent Assets

Property and equipment (Note 7)	14,995,010	39,282
Contract acquisition costs (Note 8)	1,020,151	58,427
Other intangible assets (Note 9)	8,698	—
Other noncurrent assets (Note 10)	895,795	—
Restricted cash (Notes 11, 24 and 25)	2,226,674	—
Total Noncurrent Assets	19,146,328	97,709
	₱28,142,735	₱1,250,432

LIABILITIES AND EQUITY

Current Liabilities

Accrued expenses, other payables and other current liabilities (Notes 12, 24 and 25)	₱918,389	₱80,453
Current portion of obligations under finance lease (Notes 20, 24 and 25)	1,214,187	—
Amount due to ultimate holding company (Notes 17, 24 and 25)	107,787	90,434
Amount due to immediate holding company (Notes 17, 24 and 25)	887,415	—
Amounts due to affiliated companies (Notes 17, 24 and 25)	353,591	21,903
Total Current Liabilities	3,481,369	192,790

Noncurrent Liabilities

Noncurrent portion of obligations under finance lease (Notes 20, 24 and 25)	11,268,283	—
Deferred rent liability	59,392	—
Total Noncurrent Liabilities	11,327,675	—

Equity

Capital stock (Note 13)	4,426,303	562,500
Additional paid-in capital	14,756,430	92,679
Share-based compensation reserve (Note 28)	278,151	—
Equity reserve (Notes 2 and 13)	(3,613,990)	740,763
Accumulated deficits	(2,513,203)	(49,786)
Cost of treasury shares held (Note 13)	—	(288,514)
Total Equity	13,333,691	1,057,642
	₱28,142,735	₱1,250,432

See accompanying Notes to Consolidated Financial Statements.



MELCO CROWN (PHILIPPINES) RESORTS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2013 AND
FOR THE PERIOD FROM AUGUST 13, 2012 TO DECEMBER 31, 2012
(In thousands of Philippine peso, except share and per share data)

	For the Year Ended December 31, 2013 (Note 2)	For the Period from August 13, 2012 to December 31, 2012 (Note 2)
REVENUE		
Management fee income (Note 17)	<u>₱52,952</u>	<u>₱—</u>
OPERATING COSTS AND EXPENSES		
General and administrative expenses (Note 14)	(152,954)	(3,551)
Pre-opening costs (Note 15)	(857,782)	—
Development costs (Note 16)	(95,090)	(45,920)
Amortization of contract acquisition costs (Note 8)	(43,410)	—
Depreciation (Note 7)	(8,110)	—
Total Operating Costs and Expenses	<u>(1,157,346)</u>	<u>(49,471)</u>
NON-OPERATING INCOME (EXPENSES)		
Interest income (Notes 5)	54,506	112
Interest expenses, net of capitalized interest (Note 20)	(1,316,877)	—
Foreign exchange loss, net	(112,195)	(427)
Other income	15,543	—
Total Non-operating Expenses, Net	<u>(1,359,023)</u>	<u>(315)</u>
NET LOSS	<u>(2,463,417)</u>	<u>(49,786)</u>
OTHER COMPREHENSIVE INCOME	<u>—</u>	<u>—</u>
TOTAL COMPREHENSIVE LOSS	<u>(₱2,463,417)</u>	<u>(₱49,786)</u>
Basic/Diluted Loss Per Share (Note 18)	<u>(₱0.74)</u>	<u>(₱0.12)</u>

See accompanying Notes to Consolidated Financial Statements.

MELCO CROWN (PHILIPPINES) RESORTS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2013 AND

FOR THE PERIOD FROM AUGUST 13, 2012 TO DECEMBER 31, 2012

(In thousands of Philippine peso, except share and per share data)

	Capital Stock (Note 13)			Subtotal	Additional	Share-based	Equity	Accumulated	Cost of	
	<u>Class A</u>	<u>Class B</u>	<u>Common Stock</u>	<u>Capital Stock</u>	<u>Paid-in</u>	<u>Compensation</u>	<u>Reserve</u>	<u>Deficits</u>	<u>Treasury Shares</u>	<u>Total</u>
	<u>₱337,500</u>	<u>₱225,000</u>	<u>₱—</u>	<u>₱562,500</u>	<u>₱92,679</u>	<u>₱—</u>	<u>₱740,763</u>	<u>(₱49,786)</u>	<u>(₱288,514)</u>	<u>₱1,057,642</u>
Balance as of January 1, 2013										
Net loss	—	—	—	—	—	—	—	(2,463,417)	—	(2,463,417)
Other comprehensive income	—	—	—	—	—	—	—	—	—	—
Total comprehensive loss	—	—	—	—	—	—	—	(2,463,417)	—	(2,463,417)
Declassification of Class A shares and Class B shares (Note 13)	(337,500)	(225,000)	562,500	—	—	—	—	—	—	—
Shares issued, net of offering expenses (Note 13)	—	—	3,863,803	3,863,803	12,816,082	—	—	—	—	16,679,885
Sale of treasury shares (Note 13)	—	—	—	—	1,847,669	—	—	—	288,514	2,136,183
Share-based compensation (Note 28)	—	—	—	—	—	278,151	—	—	—	278,151
Movement of equity reserve (Note 2)	—	—	—	—	—	—	(4,354,753)	—	—	(4,354,753)
Balance as of December 31, 2013	<u>₱—</u>	<u>₱—</u>	<u>₱4,426,303</u>	<u>₱4,426,303</u>	<u>₱14,756,430</u>	<u>₱278,151</u>	<u>(₱3,613,990)</u>	<u>(₱2,513,203)</u>	<u>₱—</u>	<u>₱13,333,691</u>
Balance as of August 13, 2012	₱337,500	₱225,000	₱—	₱562,500	₱92,679	₱—	₱—	₱—	(₱288,514)	₱366,665
Net loss	—	—	—	—	—	—	—	(49,786)	—	(49,786)
Other comprehensive income	—	—	—	—	—	—	—	—	—	—
Total comprehensive loss	—	—	—	—	—	—	—	(49,786)	—	(49,786)
Movement of equity reserve (Note 2)	—	—	—	—	—	—	740,763	—	—	740,763
Balance as of December 31, 2012	<u>₱337,500</u>	<u>₱225,000</u>	<u>₱—</u>	<u>₱562,500</u>	<u>₱92,679</u>	<u>₱—</u>	<u>₱740,763</u>	<u>(₱49,786)</u>	<u>(₱288,514)</u>	<u>₱1,057,642</u>

See accompanying Notes to Consolidated Financial Statements.

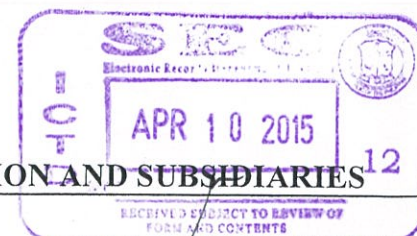
MELCO CROWN (PHILIPPINES) RESORTS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013 AND
FOR THE PERIOD FROM AUGUST 13, 2012 TO DECEMBER 31, 2012
(In thousands of Philippine peso, except share and per share data)

	For the Year Ended December 31, 2013 (Note 2)	For the Period from August 13, 2012 to December 31, 2012 (Note 2)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	(P2,463,417)	(P49,786)
Adjustments for:		
Interest income	(54,506)	(112)
Interest expenses, net of capitalized interest	1,316,877	—
Consultancy fee in consideration for share awards recognized as pre-opening costs (Note 15)	182,215	—
Unrealized foreign exchange loss (gain), net	105,941	(106)
Share-based compensation expenses recognized as pre-opening costs (Note 15)	95,936	—
Contract acquisition costs written off to development costs (Note 16)	64,721	—
Amortization of contract acquisition costs (Note 8)	43,410	—
Depreciation (Note 7)	8,110	—
Amortization of prepaid rent	4,407	—
Operating loss before working capital changes	(696,306)	(50,004)
Changes in assets and liabilities:		
Increase in prepayments and other current assets	(373,696)	(172)
Increase in other noncurrent assets	(27,784)	—
Increase in amount due from a shareholder	(5,425)	—
Increase in amounts due to affiliated companies	120,164	—
Increase in accrued expenses, other payables and other current liabilities	98,212	29,580
Increase in deferred rent liability	59,392	—
Increase in amount due to ultimate holding company	6,929	21,956
Net cash (used in) generated from operations	(818,514)	1,360
Interest received	47,040	112
Net cash (used in) provided by operating activities	(771,474)	1,472
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash used in reverse acquisition (Notes 1(c) and 2)	(7,198,590)	—
Increase in restricted cash	(2,226,674)	—
Payment for acquisition of property and equipment	(2,059,683)	(1,664)
Payment for contract acquisition costs	(1,128,768)	—
Advance payment and deposit for acquisition of property and equipment	(678,661)	—
Payment for security deposit	(175,599)	—
Payment for acquisition of other intangible assets	(3,074)	—
Cash used in investing activities	(13,471,049)	(1,664)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issuance of share capital (Note 13)	16,685,943	—
Net proceeds from capital stock issuance of legal subsidiary (Notes 1(c) and 13)	2,843,837	8,310
Proceeds from sale of treasury shares (Note 13)	2,136,183	—
Increase in amount due to immediate holding company	811,405	—
Repayments of obligations under finance lease	(785,003)	—
Prepayment of other noncurrent assets	(3,273)	—
Net cash provided by financing activities	21,689,092	8,310
EFFECT OF FOREIGN EXCHANGE ON CASH AND CASH EQUIVALENTS	1,251	39
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,447,820	8,157
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/PERIOD	1,152,022	1,143,865
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	P8,599,842	P1,152,022

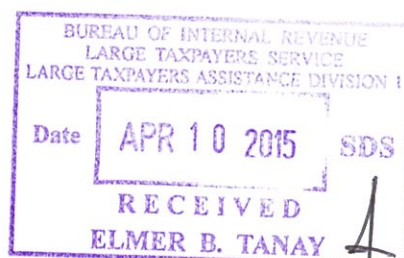
See accompanying Notes to Consolidated Financial Statements.

MELCO CROWN (PHILIPPINES) RESORTS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2014 AND 2013

(In thousands of Philippine peso, except share and per share data)



	December 31, 2014 (Note 2)	December 31, 2013 (Note 2)
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 5, 25 and 26)	₱7,651,187	₱8,599,842
Restricted cash (Notes 6, 25 and 26)	2,230,850	—
Accounts receivable (Notes 7, 25 and 26)	24,719	—
Inventories	194,609	—
Prepayments and other current assets (Note 8)	184,957	391,140
Amount due from a shareholder (Notes 18, 25 and 26)	5,425	5,425
Total Current Assets	10,291,747	8,996,407
Noncurrent Assets		
Property and equipment (Note 9)	32,830,332	14,995,010
Contract acquisition costs (Note 10)	968,058	1,020,151
Other intangible assets (Note 11)	8,698	8,698
Other noncurrent assets (Note 12)	3,624,180	895,795
Restricted cash (Notes 6, 25 and 26)	—	2,226,674
Deferred tax asset (Note 20)	23,729	—
Total Noncurrent Assets	37,454,997	19,146,328
	₱47,746,744	₱28,142,735
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable (Notes 25 and 26)	₱160,219	₱—
Accrued expenses, other payables and other current liabilities (Notes 13, 25 and 26)	4,631,506	918,389
Current portion of obligations under finance lease (Notes 21, 25 and 26)	1,041,760	1,214,187
Amount due to ultimate holding company (Notes 18, 25 and 26)	58,363	107,787
Amount due to immediate holding company (Notes 18, 25 and 26)	889,239	887,415
Amounts due to affiliated companies (Notes 18, 25 and 26)	834,384	353,591
Income tax payable (Note 20)	3,882	—
Total Current Liabilities	7,619,353	3,481,369
Noncurrent Liabilities		
Long-term debt (Notes 22, 25 and 26)	14,720,524	—
Noncurrent portion of obligations under finance lease (Notes 21, 25 and 26)	12,378,968	11,268,283
Deferred rent liability	122,131	59,392
Other noncurrent liabilities	18,357	—
Total Noncurrent Liabilities	27,239,980	11,327,675
Equity		
Capital stock (Note 14)	4,911,480	4,426,303
Additional paid-in capital	19,647,157	14,756,430
Share-based compensation reserve	759,248	278,151
Equity reserve (Notes 2 and 14)	(3,613,990)	(3,613,990)
Accumulated deficits	(8,816,484)	(2,513,203)
Total Equity	12,887,411	13,333,691
	₱47,746,744	₱28,142,735



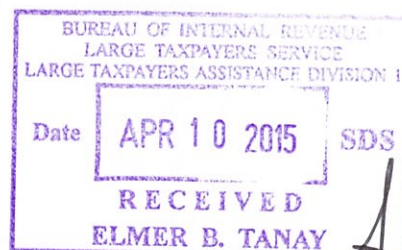
See accompanying Notes to Consolidated Financial Statements.



MELCO CROWN (PHILIPPINES) RESORTS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013 AND
FOR THE PERIOD FROM AUGUST 13, 2012 TO DECEMBER 31, 2012
(In thousands of Philippine peso, except share and per share data)

	Year Ended December 31, 2014 (Note 2)	Year Ended December 31, 2013 (Note 2)	Period from August 13, 2012 to December 31, 2012 (Note 2)
NET OPERATING REVENUES			
Casino	₱299,991	₱—	₱—
Rooms	7,317	—	—
Food and beverage	26,154	—	—
Entertainment, retail and others	96,756	52,952	—
Total Net Operating Revenues	<u>430,218</u>	<u>52,952</u>	<u>—</u>
OPERATING COSTS AND EXPENSES			
Gaming tax and license fees	(64,077)	—	—
Inventories consumed	(27,918)	—	—
Employee benefit expenses (Note 15)	(2,796,583)	(460,965)	—
Depreciation and amortization	(285,731)	(51,520)	—
Other expenses (Note 16)	(1,448,147)	(644,861)	(49,471)
Payments to the Philippine Parties	(38,809)	—	—
Total Operating Costs and Expenses (Note 17)	<u>(4,661,265)</u>	<u>(1,157,346)</u>	<u>(49,471)</u>
OPERATING LOSS	<u>(4,231,047)</u>	<u>(1,104,394)</u>	<u>(49,471)</u>
NON-OPERATING INCOME (EXPENSES)			
Interest income	42,887	54,506	112
Interest expenses, net of capitalized interest	(1,915,097)	(1,316,877)	—
Other finance fees	(44,776)	—	—
Foreign exchange loss, net	(101,013)	(112,195)	(427)
Amortization of deferred financing costs	(54,235)	—	—
Other income	—	15,543	—
Total Non-operating Expenses, Net	<u>(2,072,234)</u>	<u>(1,359,023)</u>	<u>(315)</u>
NET LOSS	<u>(6,303,281)</u>	<u>(2,463,417)</u>	<u>(49,786)</u>
OTHER COMPREHENSIVE INCOME	<u>—</u>	<u>—</u>	<u>—</u>
TOTAL COMPREHENSIVE LOSS	<u>(₱6,303,281)</u>	<u>(₱2,463,417)</u>	<u>(₱49,786)</u>
Basic/Diluted Loss Per Share (Note 19)	<u>(₱1.35)</u>	<u>(₱0.74)</u>	<u>(₱0.12)</u>

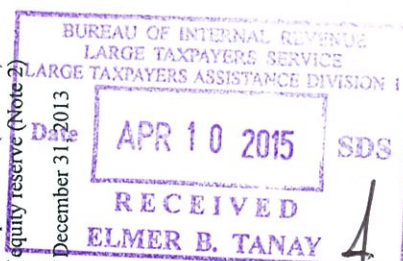
See accompanying Notes to Consolidated Financial Statements.



MELCO CROWN (PHILIPPINES) RESORTS CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013 AND
FOR THE PERIOD FROM AUGUST 13, 2012 TO DECEMBER 31, 2012
(In thousands of Philippine peso, except share and per share data)**

	Class A P=	Class B P=	Capital Stock (Note 14) Common Stock P4,426,303	Subtotal Capital Stock P4,426,303	Additional Paid-in Capital P14,756,430	Share-based Compensation Reserve P278,151	Equity Reserve (Note 14) (P3,613,990)	Accumulated Deficits (P2,513,203) (6,303,281)	Cost of Treasury Shares Held (Note 14) P=	Total P13,333,691 (6,303,281)
Balance as of January 1, 2014										
Net loss										
Other comprehensive income										
Total comprehensive loss										
Shares issued, net of offering expenses (Note 14)			485,177	485,177	4,890,727	481,097		(6,303,281)		(6,303,281)
Share-based compensation (Note 28)										5,375,904 481,097
Balance as of December 31, 2014	P=	P=	P4,911,480	P4,911,480	P19,647,157	P759,248	(P3,613,990)	(P8,816,484)	P=	P12,887,411
Balance as of January 1, 2013	P337,500	P225,000	P=	P562,500	P92,679	P=	P740,763	(P49,786) (2,463,417)	(P288,514)	P1,057,642 (2,463,417)
Net loss										
Other comprehensive income										
Total comprehensive loss										
Declassification of Class A shares and Class B shares (Note 14)	(337,500)	(225,000)	562,500							
Shares issued, net of offering expenses (Note 14)			3,863,803	3,863,803	12,816,082					16,679,885
Sale of treasury shares (Note 14)					1,847,669				288,514	2,136,183
Share-based compensation (Note 28)						278,151				278,151
Movement of equity reserve (Note 2)							(4,354,753)			(4,354,753)
Balance as of December 31, 2013	P=	P=	P4,426,303	P4,426,303	P14,756,430	P278,151	(P3,613,990)	(P2,513,203)	P=	P13,333,691

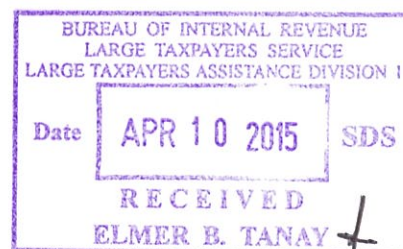


MELCO CROWN (PHILIPPINES) RESORTS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY – continued FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013 AND FOR THE PERIOD FROM AUGUST 13, 2012 TO DECEMBER 31, 2012 (In thousands of Philippine peso, except share and per share data)

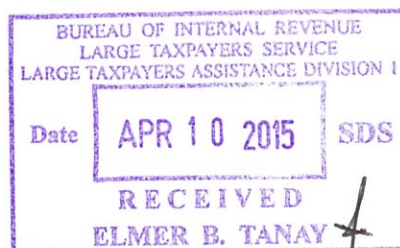
	Class A P337,500	Class B P225,000	Common Stock P-	Subtotal Capital Stock P562,500	Additional Paid-in Capital P92,679	Share-based Compensation Reserve P-	Equity Reserve (Note 14) P-	Accumulated Deficits P- (49,786)	Treasury Shares Held (Note 14) (P288,514)	Total P366,665 (49,786)
Balance as of August 13, 2012										
Net loss	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss	-	-	-	-	-	-	-	-	-	-
Movement of equity reserve (Note 2)	-	-	-	-	-	-	740,763	(49,786)	-	(49,786)
Balance as of December 31, 2012	P337,500	P225,000	P-	P562,500	P92,679	P-	P740,763	(P49,786)	(P288,514)	P1,057,642

See accompanying Notes to Consolidated Financial Statements.



MELCO CROWN (PHILIPPINES) RESORTS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013 AND
FOR THE PERIOD FROM AUGUST 13, 2012 TO DECEMBER 31, 2012
(In thousands of Philippine peso, except share and per share data)

	Year Ended December 31, 2014 (Note 2)	Year Ended December 31, 2013 (Note 2)	Period from August 13, 2012 to December 31, 2012 (Note 2)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	(P6,303,281)	(P2,463,417)	(P49,786)
Adjustments for:			
Interest income	(42,887)	(54,506)	(112)
Interest expenses, net of capitalized interest	1,915,097	1,316,877	—
Depreciation and amortization	285,731	51,520	—
Consultancy fee in consideration for share awards (Note 28)	274,302	182,215	—
Share-based compensation expenses (Note 28)	206,795	95,936	—
Property and equipment written off to property charges and others	155,193	—	—
Unrealized foreign exchange loss (gain), net	132,495	105,941	(106)
Amortization of deferred financing costs	54,235	—	—
Other finance fees	44,776	—	—
Amortization of prepaid rent	5,288	4,407	—
Contract acquisition costs written off to development costs (Note 16)	—	64,721	—
Operating loss before working capital changes	(3,272,256)	(696,306)	(50,004)
Changes in assets and liabilities:			
Increase in other noncurrent assets	(2,038,788)	(27,784)	—
Increase in inventories	(194,609)	—	—
(Decrease) increase in amount due to ultimate holding company	(49,986)	6,929	21,956
Increase in accounts receivables	(24,719)	—	—
Increase in accrued expenses, other payables and other current liabilities	799,864	98,212	29,580
Decrease (increase) in prepayments and other current assets	201,349	(373,696)	(172)
Increase in accounts payable	160,608	—	—
Increase in amounts due to affiliated companies	147,558	120,164	—
Increase in deferred rent liability	62,739	59,392	—
Increase in other noncurrent liabilities	18,357	—	—
Increase in amount due from a shareholder	—	(5,425)	—
Net cash (used in) generated from operations	(4,189,883)	(818,514)	1,360
Income tax paid (Note 20)	(8,603)	—	—
Interest received	44,242	47,040	112
Net cash (used in) provided by operating activities	(P4,154,244)	(P771,474)	P1,472



MELCO CROWN (PHILIPPINES) RESORTS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS – continued
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013 AND
FOR THE PERIOD FROM AUGUST 13, 2012 TO DECEMBER 31, 2012
(In thousands of Philippine peso, except share and per share data)

	Year Ended December 31, 2014 (Note 2)	Year Ended December 31, 2013 (Note 2)	Period from August 13, 2012 to December 31, 2012 (Note 2)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property and equipment	(P11,669,108)	(P2,059,683)	(P1,664)
Advance payments and deposit for acquisition of property and equipment	(3,800,548)	(678,661)	—
Increase in restricted cash	(4,176)	(2,226,674)	—
Payment for acquisition of other intangible assets	(1,317)	(3,074)	—
Payment for other noncurrent assets	(1,000)	—	—
Cash used in reverse acquisition (Notes 1(c) and 2)	—	(7,198,590)	—
Payment for contract acquisition costs	—	(1,128,768)	—
Payment for security deposit	—	(175,599)	—
Cash used in investing activities	(15,476,149)	(13,471,049)	(1,664)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term debt (Note 22)	15,000,000	—	—
Net proceeds from issuance of capital stock (Note 14)	5,369,846	16,685,943	—
Increase in amount due to immediate holding company	154	811,405	—
Repayments of obligations under finance lease	(737,458)	(785,003)	—
Interest paid	(468,750)	—	—
Payment for deferred financing costs	(328,243)	—	—
Other finance fees paid	(23,916)	—	—
Net proceeds from capital stock issuance of legal subsidiary (Note 14)	—	2,843,837	8,310
Proceeds from sale of treasury shares (Note 14)	—	2,136,183	—
Prepayment of other noncurrent assets	—	(3,273)	—
Net cash provided by financing activities	18,811,633	21,689,092	8,310
EFFECT OF FOREIGN EXCHANGE ON CASH AND CASH EQUIVALENTS	(129,895)	1,251	39
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(948,655)	7,447,820	8,157
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/PERIOD	8,599,842	1,152,022	1,143,865
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	P7,651,187	P8,599,842	P1,152,022

See accompanying Notes to Consolidated Financial Statements.

